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Cuba

Minrex Urges U.S. To End Blockade Measures

FL0111134793 Havana Radio Progreso Network in Spanish 1200 GMT 1 Nov 93

[Text] The Ministry of Foreign Relations [Minrex] issued on 31 October a communique on the resolution draft presented by Cuba and which will be discussed on 2 November by the UN General Assembly. The document advocates the need to end the economic, trade, financial blockade imposed against Cuba by the United States. The draft also stresses that the Third Ibero-American Summit, held this year in Salvador de Bahia, Brazil, called for the elimination of the unilateral implementation of measures of this kind by any state against another. The draft also points out that following the approval of UN General Assembly Resolution 4719, new measures have been implemented to reinforce and broaden the blockade. Cuba also urges the United States, where measures to strengthen the blockade are still being put forth, to take the necessary measures to eliminate them as soon as possible.

Top Portuguese Communist Party Official Ends Visit

FL3010030293 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 30 Oct 93

[Text] Portuguese Communist Party Secretary General Alvaro Cunhal spoke to the Cuban and foreign press today. Here is Daisy Gomez with details.

[Gomez] Cunhal stressed his party's solidarity with the Cuban Revolution and (?his) confidence that we will triumph over the current difficulties. As for actions in Portugal against the U.S. blockade of Cuba, he said they should go in two directions:

[Begin Cunhal recording, in Portuguese, with superimposed translation into Spanish; recorded in progress] ...a great critical, democratic, people's political movement against the blockade that will influence the institutions with a view to an about-face in the official position of the Portuguese Government and other official Portuguese agencies. [end recording]

At another point in the news conference, Cunhal said the Maastricht Treaty, or European Union, which will become a reality next Monday, constitutes, for the less-developed member countries, an aggression to their sovereignty because it represents the imposition of supranational entities over their interests.

In answer to journalists' questions, the veteran Communist leader, who will soon be 80 years old and who has been a member of the Communist Party for over 50 of those years, said he feels the theory of the end of ideologies is an attempt to deprive the workers of ideology, and, in fact, defends the perpetuity of capitalism as a system.

Cunhal today ends a one-week visit to Cuba during which he visited agricultural-animal husbandry centers and scientific centers, and also met with Commander in Chief Fidel Castro and other Cuban leaders.

Turkish Delegation Accompanies Pedro Chavez to Havana

FL0111031493 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 1 Nov 93

[Text] Pedro Chavez, president of the Provincial Assembly of the People's Government in the city of Havana, returned to Cuba a few hours ago after a trip through Spain and Turkey. With Chavez came a delegation of officials from Ankara's City Hall headed by (Selahatin Notal), mayor of a municipality of Ankara. (Selahatin) said the objective of this visit is to make a concrete reality the protocol for cooperation between Ankara and Havana signed on the occasion of Chavez's visit to Turkey. The document incorporates agreements for cooperation in spheres of the administration [words indistinct] of the city, among others.

Pedro Chavez reported that, in Spain, a protocol for the restoration of a portion of Havana's Malecon was signed with Seville's City Hall. Restoration will begin (?this year) and go on for another two.

The president of the capital's People's Government assembly said that there had been many expressions of affection for and solidarity with Cuba in all the cities visited.

Envoy to Colombia on Havana's Incorporation Into Region

PA3110024493 Havana Radio Havana Cuba in Spanish 0000 GMT 31 Oct 93

[Text] Omar Morales, Cuban ambassador to Colombia, has told EL ESPECTADOR newspaper in Santa Fe de Bogota that Cuba is in the best possible position to be incorporated into Latin America.

In today's issue, the newspaper carried an interview with Morales as part of the prevailing repercussions in Colombia of the restoration of diplomatic relations with Cuba. The Cuban diplomat pointed to some of the mutual benefits the two countries had been obtaining from bilateral trade. He said Cuba exports to Colombia close to 60 products, including medicines, vaccines, and steel.

Hart, Jordan Sign Rural Cultural Cooperation Accord

FL0111194993 Havana Radio Rebelde Network in Spanish 1800 GMT 1 Nov 93

[Text] Armando Hart and Alfredo Jordan, the ministers of culture and agriculture, respectively, this morning signed an accord for cooperation in cultural programs in rural areas.

The cooperation program was drafted to accommodate the changes taking place in agricultural production methods in order to promote cultural activities aimed at supporting measures to attain stability in the agricultural labor force by increasing worker welfare programs. Therefore, the goals of the cooperation accord are to promote the acceleration of productive development, the incorporation of the required labor force, the introduction of scientific and technological developments into production methods through social and cultural programs and the most significant cultural expressions of the rural areas as an integral part of their identity, to enhance the quality of life of rural workers and their families, to contribute to a sense of belonging to their area, and to reward workers with varied artistic and cultural activities.

Armando Hart stressed that this program provides an opportunity for the artistic and cultural sector to become involved in the main socioeconomic problems of the country and contribute to their solution. Alfredo Jordan stressed that this support will undoubtedly contribute to the satisfaction of the spiritual needs of rural workers and their families. The two agreed that, in order to implement the accord, the situation of each region will be analyzed to determine procedures in that specific case.

Yadira Garcia Elected First Female Provincial Secretary

FL0111024393 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 1 Nov 93

[Text] The Provincial Assembly of the Communist Party of Cuba [PCC] in Matanzas Province ended its work today after electing its new committee. Politburo member Yadira Garcia Vera was elected PCC first secretary for Matanzas Province.

During its first meeting, the new PCC committee elected its executive bureau, headed by the first woman to occupy, in our country, the top party position in a province.

The assembly acknowledged the work of Luis Alvarez de la Nuez, who has headed the PCC in the province for the past seven years and who will now move on to other responsibilities.

The 300 delegates discussed in depth the progress of the sugar and agricultural and food programs. Matanzas is one of the pillars of the economy [words indistinct]. Sugar production has diminished perceptibly during the last few harvests, due, basically, to a [word indistinct] in the availablity of raw materials. A cane recovery program is being worked on with the objective of increasing yields and sending more cane to the mills. This, along with improved industrial efficiency, should ensure that sugar production reaches the levels the nation needs.

Numerous delegates discussed these problems in their speeches, which also included the preparations for the next campaign, the need to improve the workers' living conditions, and the functioning of the 109 Basic Cooperative Production Units [UBPC's] in the cane sector in Matanzas Provinces, where the process of forming the units has ended. Formation continues in the noncane sector and is part of a strategy aimed at permitting greater exploitation of the land, a more rational use of resources, and resolution to a great extent of the work force situation—and, therefore, increased food production.

The main report approved [words indistinct] difficulties in citrus-growing activities [words indistinct] and tourism, as well as in other activities (?having to do with) with production and services.

Politburo members Jose Ramon Machado Ventura, Jose Ramon Balaguer Cabrera, and Maria de los Angeles Garcia also presided over the PCC Provincial Assembly in Matanzas. In the conclusions, Machado Ventura highlighted the province's weight in sectors decisive for the nation, such as citrus, tourism, and the prospecting for and extraction of oil [word indistinct], where, as on the sugar, agricultural, and food fronts, Cuba is making great efforts and working creatively to triumph over limitations and guarantee future development.

Villa Clara Assembly Discusses Agricultural Goals

FL3110223993 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 31 Oct 93

[Text] Villa Clara's Provincial Assembly today announced the creation of 158 volunteer cane-cutting brigades, consisting of more than 8,000 workers who will participate in the next sugar harvest in this province. The sugar industry was the one issue most debated by the 260 delegates, who exchanged ideas on the [words indistinct] resources, such as the goal of preparing the province for a more efficient harvest than the previous one.

Although great efforts are being made toward the recovery of the sugarcane crop, even better results are needed in the planting campaign in order to reach the goal of planting an average of 3,000 caballerias per year. This will allow the stabilization of sugar production at approximately 1 million tons.

Scientific and technical activities were also brought up in the debates. Delegates were briefed on the efforts of Villa Clara's scientific hub to carry out the country's main economic plans. Among results are the technological development to obtain potato seeds through biotechnology, and the development of chemical bioactives for the production of human and veterinarian medicines.

The assembly also analyzed the experience obtained in the creation of Basic Cooperative Production Units in Villa Clara, where 235 have been developed in the sugar sector and 14 in the agricultural sector.

In the presence of Politburo members Jose Ramon Machado Ventura, Jose Ramon Balaguer, Nelson Torres, and Maria de los Angeles Garcia, the delegates participating in this party assembly elected their provincial bureau and committee, which then ratified Tomas Cardenas Garcia as first secretary of the Communist Party of Cuba in Villa Clara Province.

Machado Stresses Importance of Food, Sugarcane Production

FL0111151293 Havana Radio Progreso Network in Spanish 1200 GMT 1 Nov 93

[Interview with Politburo member Jose Ramon Machado Ventura by Jose Diaz Loyola; place and date not given—recorded]

[Text] [Machado] The discussions focused on current problems. We discussed the food and sugarcane recovery programs which were the two main issues presented. First, because we have an imperative need to increase food production and sugarcane production because, apart from having other development alternatives in our current strategy, we are aware of the significance of the sugarcane harvest and production. In order to produce sugar, we must have cane: therefore, its importance. The discussion by Communist Party of Cuba [PCC] members focused on this.

[Diaz] In terms of renovation, and with the arrival of a new term of political government, about which the people are hopeful, we would like to know the line of work that will define this new term.

[Machado] The line of this new term is, among many other things, to continue what is being done in terms of the province's effort, the projection in development. Naturally, we also have to inspire hope; but we have to be very objective and realistic. We all know the difficulties and how the enemy uses whatever foul procedures there are to limit our economy and block businesses and the flow of capital for investment in Cuba.

This is our line of work throughout Cuba. However, we always have to be realistic. We could hope for more because of our efforts but in the practice we see that everything we do—the effort is gigantic—is always limited by the blockade, the commitment that we have to fulfill in general economic terms, and the limitations: Sugarcane recovery will be a gradual process.

We have to stress that we are pleased with the way our people understand and resist. We have to stress that we will move ahead through resistance, the first step, but we also have to promote daily efforts, just as the PCC and the government are doing.

[Diaz] Will reorganization continue to be a priority issue on the work agenda of the PCC?

[Machado] It has to continue to be a priority issue. At times, when you compare food production with other years, you see that there has been an increase in production; yet this is not enough. Why? Because there are other shortages and limitations. We have to acknowledge that this is still not enough and that we have to continue to increase food production.

[Diaz] We spoke with Politburo member Jose Ramon Machado Ventura on realities regarding the process of assessment, renovation, and ratification of term of the PCC provincial committees that will end next weekend with the PCC meeting in Havana.

'Satisfactory' Progress Report Process Nears Conclusion

FL0211132093 Havana Radio Rebelde Network in Spanish 0000 GMT 2 Nov 93

[Text] The process of progress reporting has virtually concluded in Cuba. Only a few remain to be held in Pinar del Rio, Havana, Havana City, Matanzas, Villa Clara, and Holguin Province.

Considered the first step in the application of the new ideas for the holding of these meetings, the National Assembly has rated the results seen in the provinces as satisfactory.

True dialog between the representative and the voters has still not been reached in certain of these meetings, and some of the meetings did not turn into propitious moments for seeking solutions and popular support for the community's problems—and we did, indeed, see a number of traditional meetings. Nevertheless, it can be said that changes have taken place; not a few meetings were marked by analysis and reflection and succeeded in turning neighbors into [interested] parties, thereby carrying out what was to be tackled on behalf of everyone, driven and managed principally by the delegate.

Beginning in September and throughout October, over 28,000 progress reports were scheduled nationwide. Sancti Spiritus, Cienfuegos, Camaguey, Ciego de Avila, Las Tunas, Granma, Santiago de Cuba, and Guantanamo Provinces concluded the scheduled meetings.

There are two such occasions for the delegate to account to his electorate per year; this one, which is on the verge of concluding, is the first for 1993 because the elections were held at the beginning of the year. These elections began with the election of the current electoral district delegates, and the delegates would not have any measures taken or results obtained to present to their neighbors in such a short time. Besides, details for the application of new ideas were emerging. These (?details have led to a successful process), as our National Assembly has judged. Thus, the decision to propose this date for the first meeting of the delegate with his electorate in the current year was valid.

Province Increases Number of People's Councils

FL0111232793 Havana Radio Reloj Network in Spanish 2036 GMT 1 Nov 93

[Text] The number of People's Councils organized in Ciego de Avila Province, as a step up in the work of the government's local organs, has risen to 70. This figure was reached after a special session of the Provincial Assembly of the People's Government approved the creation of another 12 People's Councils.

The meeting, presided over by Alfredo Hondal Gonzalez, who is a member of the Politburo and first secretary of the Communist Party of Cuba in Ciego de Avila Province, also agreed to a change of three vice presidents of the Administrative Council. Segundo Reyes Castellanos was designated Minaz [Sugar Industry Ministry] representative. (Agustin Arza Pascual) will attend to construction, transportation, and communications; and (Raul Sardinas) will attend to trade.

Hondal asked all workers to make the greatest of efforts to tackle the upcoming harvest and the production of foodstuffs.

Roundup of Economic Activity Reported 27 Oct to 1 Nov

FL0111025393

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 27 October and 1 November.

Radio Rebelde at 1800 GMT on 27 October reports that Jaruco Municipality in Havana Province is building a plant to take advantage of the 12,000 cubic meters of gas emitted daily by the petroleum deposits in that area. The plant will separate gas from oil through a process that will eliminate the sulfuric compounds and obtain 120 tons of sulfur, which is of great demand in the pharmaceutical and cosmetic industries. The investment is valued at $2.35 million, of which $520,000 was donated by the German Evangelical Organization, "Food for the World," through the Cuban Ecumenical Council. The gas produced at the plant will be used for transportation in the municipality as well as for residential use.

Radio Rebelde also reports that the Mariel shipyard will begin using a generator invented by shipyard worker Manuel Bouza Fernandez. The generator is made from a repaired boat engine and has a generating capacity of 350 kw per hour.

Radio Rebelde at 0000 GMT on 28 October reports National Institute of Tourism President Rafael Sed Perez has confirmed that compared with the same period, from January to September 1992, Cuba had 25 percent more international tourism, and made over 35 percent more money in 1993.

Radio Rebelde also reports that over 30 multifamily buildings in the Havana neighborhood of Penas Altas are benefitting from the "meta-gas project, which has allowed the residents of that community to use natural gas as a domestic fuel, in place of manufactured gas, which cannot be delivered." Another 258 single-family houses and seven state centers are also using this gas, for which a pipeline had to be built from the natural gas wells to the urban area. Among the state facilities are a bus terminal, the Guanabo industrial steelworking plant, and a bakery. The adaptation of kerosene stoves for natural gas use made it unnecessary to buy special gas ranges. Specialists say the possibility of expanding this project toward the Guanabo area is being evaluated, although doing so is much more complex.

Rebelde further reports that in order to save hard currency, the Revolutionary Armed Forces are going to introduce modifications into the current styles of clothing and footwear used by troops, as well as in designation of rank and identification. For example, the military will henceforth wear canvas boots or tennis shoes. The clothing and footwear changes are expected to save the nation "approximately 2 million pesos in hard currency," while the changes in insignia and identification are expected to bring about savings of "approximately 500,000 pesos in hard currency."

Radio Rebelde at 1800 GMT on 29 October reports that Pinar del Rio Province has 250,000 beds of tobacco seedlings. The radio notes that the general situation is going according to predictions by the harvesters in view of October's events. Nine Basic Cooperative Production Units have been formed to grow tobacco, as well as five integrated farms manned by the Youth Labor Army. Also, 263 hectares of land have been turned over to 148 producers in usufruct to encourage tobacco-growing. Planting is currently under way in all Pinar del Rio's tobacco-growing municipalities.

Cuba Vision Network at 2320 GMT on 29 October reports that tobacco planting has begun in Sancti Spiritus Province, where 725 caballerias are to be planted in tobacco. Most of the province's tobacco—93 percent—is planted by small farmers. The credit and services cooperatives hope to conclude their planting in November, the agricultural production cooperatives in December. Some 40 caballerias of seedbeds have been prepared; they are near the tobacco plantations to avoid the problem of transporting the seedlings later.

Radio Reloj at 1537 GMT on 30 October reports that the Isle of Youth has organized its first three Basic Cooperative Production Units, made up of 253 people who will work 100 caballerias.

Tele Rebelde and Cuba Vision Networks at 0100 GMT on 1 November report that representatives of Mexico's Freemasons have arrived in Havana at the invitation of the Cuban Institute of Friendship with Peoples and Cuba's Freemasons. The Mexicans brought four tons of medicines and miscellaneous goods, the first part of a total of 20 tons of humanitarian aid that will arrive in the coming days.

Electric System Reduces Energy Required for MiG Repairs

FL0111192493 Havana Radio Rebelde Network in Spanish 1800 GMT 1 Nov 93

[Text] The high energy consumption of the equipment that powers MiG-21 and MiG-23 repairs moved the top command of the Antiaircraft Defense and Revolutionary Air Force to order its replacement with equipment that maximizes energy conservation. Reporter Margarita Torres has the details:

[Begin recording] [Torres] The solution is a centralized electric system created by engineer First Lieutenant Ivan Ortiz Arango.

[Ortiz] The main characteristic of the equipment is that it can supply electric energy to various types of aircraft and the repair workshops. The AK-5D equipment that it replaces was not capable of doing this.

[Torres] What is the energy consumption?

[Ortiz] The AK-5D equipment consumes over 20 liters of diesel per hour. The new equipment consumes between three and four liters per hour from the national electric network.

[Torres] What is the resulting economic effect?

[Ortiz] In a year, this equipment saves the country between $5,000 and $6,000.

[Torres] 1st Lt. Ortiz Arango was given the Revolutionary Armed Forces Distinguished Service award for the military and economic importance of this innovation which was judged relevant in the Central Army Science and Technology Forum. [end recording]

Criminal, Judicial Action Reported 26 Oct to 28 Oct

FL0111125493

[Editorial Report] The following is a compilation of fileworthy reports on criminal activity and related judicial actions in Cuba carried on Havana radio and television in Spanish between 26 October and 28 October.

Cuba Vision Network at 2320 GMT on 26 October reports that "the people responsible for the murders of comrades (Roel Cedeno) and (Vladimir Zamora Castaneda), watchmen of the Amistad Cuba-Paises Nordics Cooperative, have been arrested. This was confirmed today by the Internal Order authorities in Guira de Melena Municipality." An investigation into the reasons for the murders, which occurred last week, is underway.

Radio Rebelde and Cuba Vision Networks at 0100 GMT on 28 October report that five citizens accused of burglary involving the use of force, repeated theft [hurto continuado], and slaughter of large livestock have been sanctioned by the Pinar del Rio Provincial Court. This case, No. 540 of 1993, was tried Monday. The events occurred between December 1992 and May 1993. It was proven that defendants Rafael Ruiz Peraza, Pedro Pablo Aroche Fonseca, Michel Fernandez Herrera, and Jesus Maria Luis Borrego had participated in crimes of robbery involving the use of force, as well as continuous stealing and slaughtering of large livestock and sale of the meat; Rogelio Perez Morejon was found guilty of having fenced stolen goods. All the accused had participated, to varying degrees, in burglarizing two houses, stealing two pigs, and slaughtering four bulls, a heifer, and a calf. The court sentenced Raul Ruiz Peraza [name as heard] to nine years imprisonment; Michel Fernandez Herrera and Pedro Pablo Aroche Fonseca to seven years imprisonment; Jesus Maria Ruiz Borrego to one year's imprisonment; and Rogelio Perez Morejon to an 800-peso fine.

Specialist Comments on Industrial Use of Nuclear Technology

PA3010003493 Havana Radio Havana Cuba in Spanish 0000 GMT 23 Oct 93

[Interview with Engineer Ramon Rodriguez, a specialist with the Science and Technology Directorate of the Executive Secretariat for Nuclear Affairs and director of Project Arcal 16, by Beatriz Padron; place and date not given—recorded]

[Text] [Padron] Cuban nuclear science organizations have been making efforts within the country to study the peaceful application of nuclear technology in the industrial and economic sectors. Engineer Ramon Rodriguez is here to tell us more about this subject.

[Rodriguez] With the helpful cooperation from nuclear energy organizations of various countries in the region—namely, the Latin American region—we are implementing a regional project called Arcal. Arcal is a program to promote and develop nuclear techniques in various economic areas. Specifically, in the industrial sector we are implementing a program called Arcal 16, which consists of using nuclear technology's industrial applications to increase the efficiency and productivity of various factories.

[Padron] What type of work have you been doing in terms of applying nuclear techniques in Cuban industry?

[Rodriguez] Our efforts include three types of activities: first, the promotion and development of applications [words indistinct]; second, the application of nucleonic equipment [words indistinct]; and last, the application of tracer beam [rayo trazador] techniques in industry. These are the three major areas we are covering.

[Padron] As far as I know, this program is aimed primarily at certain economic sectors, such as the mining, oil, and sugar industries. Can you give us any details on this?

[Rodriguez] Yes. These activities are vital for our countries' economies. We should specifically mention applications in the (?nickel) industry, because of its significance in our country. These techniques also have promise in the sugar industry—another major industry—which has a great influence [words indistinct]. Another use for this technology lies in the oil industry, in production as well as in refining, and in geology and mining in general. This technology has been in use for many years both domestically and internationally.

[Padron] What results has this program yielded?

[Rodriguez] Domestically, nuclear technology has been used in the [word indistinct] sector for years. We have worked to introduce new technologies to tackle specific problems in this industry. Earlier, I mentioned the use of tracer beams in the sugar industry, which has been carried out with the support received as part of a technical assistance and training program. We have set up a laboratory to apply tracer beam techniques, and through this we have learned to improve the operation of various facilities, as well as learned how to diagnose and issue recommendations from a technological standpoint to improve the operation of certain designs unique to Cuban industry.

[Padron] I would like to ask you one final question: What kinds of expertise are common to Cuban specialists and technicians working in the application of these nuclear techniques in the industrial sector?

[Rodriguez] To explain it briefly, our country has achieved considerable developments in the use of nuclear energy. We have achieved an excellent level of training for our technical staff in the industrial sector. In terms of some relatively new techniques, [words indistinct]. Nevertheless, because of the cooperation and support we have received from the International Organization of Nuclear Energy [words indistinct]. Since we began receiving this assistance, we have been able to train our specialists better and even improve their qualifications. I dare say that on some nuclear subjects we now have specialists with the best training in the region.

Official Sources Report on Aging Process, Fertility Rate

PA0111150893 Madrid EFE in Spanish 0016 GMT 31 Oct 93

[Text] Havana, 30 Oct (EFE)—Official sources reported on Saturday that the Cuban population has begun a process of aging, which is evident in the fact that there are 1.2 million elderly people out of the 10.8 million living on the island. Cuba is the most populated country in the Central American region of the Caribbean, according to official figures.

The fertility rate of the Cuban population is among the lowest in the world in the last 15 years, and, therefore, if this trend continues during the next 25 years, the island's population will begin to drop. The proportion of youths will decrease, but that of the adults and the elderly will increase.

The same sources added that in Cuba those over 60 years of age constitute 12 percent of the population, which is similar to the percentage in developed countries.

"The aging process of a population—if it is aware of the contribution those aged 60 or more are making—is a contribution to development more so than a problem," said Dr. Raul Hernandez, of the Center of Demographic Studies of Cuba.

Cuban official media recommends that in future years, efforts will have to be made to find solutions so that the growing number of elderly will participate in economic activities and so that they will not become a burden for the younger population. In the meantime, the Cuban state has taken over the protection of and assistance to the elderly.

Inter-Caribbean Affairs

UN Ambassador: Disarmament, Security Issues Concern Caricom

FL0111184993 Bridgetown CANA in English 1106 GMT 1 Nov 93

[Text] Kingston, Jamaica, 1 Nov, CANA—Disarmament and security issues are high on the agenda of Caribbean Community (Caricom) states because of their linkage to development, Dr. Lucille Mair, Jamaica's permanent representative to the United Nations (UN) says.

Mair, who is representing the Caribbean Community in these issues, said :"Many of the problems which threaten national and regional security are rooted in socio-economic concerns."

She said the region is highly vulnerable to outside political, economic, social and cultural influences.

Noting that illegal arms trafficking is inseparable from the illegal drug trade, Ambassador Mair said :"This has grave implications for destabilising our societies and has the potential to even challenge national sovereignty and security."

"Another security threat is presented by the situation in Haiti where we are witnessing ugly antidemocratic forces violently resisting a peaceful process of democratic change," she said.

Mair told JAMPRESS, the Jamaica Government Agency, that Caribbean countries had over the years taken steps to address their security concerns.

However, there is a need to further consolidate and strengthen co-operation, despite the geographic and economic constraints.

Member states of Caricom are actively thinking about setting up a security regime which would be an extension of the existing regional security system, she said.

Turning to general disarmament issues, Ambassador Mair said with the ending of the Cold War there was an expected reduction in arms spending as funds channeled to the development of civilian industries of benefit to national economics.

However, she says although statistics show a decline in spendings on conventional weapons, this did not appear in all cases to have been the result of considered decision.

"A contributing factor has been the global economic recession...Those countries which can afford to purchase weapons are still arming and modernisng their defence mechanisms," she said.

"And traders in those industrialised countries whose economics are closely linked to the arms industry, are still quite vigorously selling."

Ambassador Mair said it was because of the security threats to the region by the arms trade, that Caricom countries had a particular interest in the functioning of an expanded arms register.

The register should include all categories of weapons, the levels of production and stockpiling, she added.

Ambassador Mair said member states of Caricom had always supported the disarmament process and were parties to many treaties.

Haiti

Haitians Fleeing to Dominican Republic Report Massacre

FL0211024793 Havana Radio Rebelde Network in Spanish 0000 GMT 2 Nov 93

[Excerpt] The latest press agency reports received by the "Exclusive" program reveal that two people have been killed and several more injured this evening on Haitian territory along the border with the Dominican Republic, where Duvalierist groups are operating in support of the coupist military.

Correspondents of the Dominican daily paper, HOY, on the border with Haiti, have gathered numerous statements from exiles, reporting the murder of some 20 Haitians in (Anse-a-Pitre). According to these statements, the Haitians are fleeing toward the Dominican Republic in an attempt to escape from General Raoul Cedras' paramilitary bands, which are operating in groups, wearing armbands on their arms, and carrying light weapons ["armas largas," machine guns, rifles, or carbines] and ropes, to sow terror along the border.

The wave of repression has forced Justice of the Peace (Pierre Descartes), (Andre), and other public administration officials to flee to the mountains to save their lives. [passage omitted]

Joseph: Army Will Defend National Palace Against Coup

FL0111172193 Port-au-Prince Radio Tropic FM in French 1400 GMT 1 Nov 94

[Text] Challenging a powerless international community, the Haitian military men were still in power on 31 October in Port-au-Prince where their partisans were celebrating—through the night by shots and incessant bursts—the fact that President Jean-Bertrand Aristide had been unable to return to Haiti the day before [30 October], according to AFP. As this fateful date of 30 October on which Aristide should have returned under the terms of the Governors Island agrement has passed, tension dropped a rung in the capital despite terrific rumors about a coup d'etat by a (?constellation) of a dozen parties opposed to Aristide. On 29 October, those parties enjoined Aristide to resign before 30 October at midnight, advising that, failing that, they would have recourse to Article 149 of the Constitution which provides for the appointment of an interim president and the holding of new elections in the case of a power vacuum.

Dr. Antoine Joseph, president of the Chamber of Deputies, told AFP that it is political adventurism, adding: I greatly doubt that the Army will follow those political parties in this adventure. On a simple constitutional plane, he explained, dismissing Mr. Aristide would require a complicated procedure, i.e., his impeachment by the lower chamber with a two-thirds majority before the Senate acting as a high court of justice.

As for a coup d'etat against the National Palace, guarded by a military detachment, Joseph was categorical: If they try to invade the National Palace, the Army will intervene energetically.

Romain Favors Accord, Condemns Embargo, Courts Aristide

FL0111214093 Port-au-Prince Radio Metropole in French 1200 GMT 1 Nov 93

[Text] The Governors Island agreement must continue to exist; I personally believe in it. This statement was made by Franck Romain. The former Port-au-Prince mayor thus dissociates himself from the Article 149 option. While he himself considers it constitutional, he doubts whether the international community would accept such a solution. The former mayor, interviewed by foreign journalists on 31 October, hopes for the continuation of negotiations; that is, to keep the Governors Island agreement alive.

[Begin recording] [Romain] [words indistinct] I do not believe that our great neighbor, President Clinton, will accept it. Then we will be blocked. I think the wisest thing would be to keep negotiating, and to resume negotiating [words indistinct] because one must continue.

I do not know if I you heard General Cedras. Without knowing if you heard him or understood him, you will see that what he said... [rephrases] that he said things that really make sense. I believe if you compare—it is a shame—but if you compare [repeats] the presentation of Gen. Cedras here, his interview [words indistinct] with that of our president to the United Nations, you will see that Gen. Cedras is an elder statesman compared to our president.

[Unidentified journalist] ...that the Governors Island agreement is not the solution, that it is utopian, in your opinion?

[Romain] As far I am concerned, I believed in it until now. Some think the agreement no longer exists because the 30 October deadline has not been fulfilled. Some think the agreement no longer exists. Honestly, I do not believe it is mandatory... [rephrases] I believe that this agreement still exists, that there has been a delay, that they are going to extend the delays, and [words indistinct] one must be realistic.

[Journalist] And if one is not?

[Romain] [words indistinct] [end recording]

In this interview, Frank Romain vigorously denounced the embargo that he said caused the deaths of numerous Haitians. Romain said we are swimming in a world of crazy people. He wondered how they [not further identified] can inflict this suffering on a people in the name of democracy. Romain denied being a Duvalier baron, explaining that his political supporters are not Duvalierists. The former Port-au-Prince mayor calls for national reconciliation and says he is ready to converse with President Aristide.

No Response From Army, Government To UN Invitation To Talk

FL0111180993 Port-au-Prince Radio Metropole in French 1200 GMT 1 Nov 93

[Excerpt] The Army still has not responded to the UN proposal to relaunch discussions on completing the implementation of the Governors Island agreement. It should be noted, as well, that the government has not yet officially answered this invitation made by international mediator Dante Caputo. However, the invitation was well received on the part of Prime Minister Robert Malval. They were waiting for President Jean-Bertrand Aristide's answer.

The urgent discussions the United Nations requested on 29 October with the protagonists of the crisis, including the military, would take place on 3 and 4 November, according to Eric Falt, spokesman for the United Nations mission in Haiti, who explained on 30 October that the United Nations had not yet received replies. [passage omitted]

MNP-28 Belizaire Favors Conditional Return or Article 149

FL0111215693 Port-au-Prince Radio Metropole in French 1200 GMT 1 Nov 93

[Excerpt] Another opinion about the crisis is that of Senator Dejean Belizaire, leader of the National Patriotic Movement of 28 November [MNP-28], who has presented two proposals for a way out of the political crisis.

Dejean Belizaire, a parliamentarian, who had provisionally agreed to stop his activities, in compliance with the New York pact, pleads in favor of either the conditional return of President Aristide or the integral application of Article 149 of the Constitution. In Belizaire's opinion, any other solution would be unacceptable. [passage omitted]

Groups Seek Negotiation End, Provisional Government

FL0111163893 Port-au-Prince Radio Metrople in French 1200 GMT 1 Nov 93

[Report on news conference held by the Revolutionary Front for Haitian Advancement and Progress (FRAPH) in Port-au-Prince on 31 October; monitored in progress—recorded]

[Text] [Unidentified FRAPH official] ...give the parliament a chance to pass the laws, the instruments on the amnesty law....

[Unidentified journalist, interrupting] [words indistinct] that you agreed to Aristide's return.

[Official] Until yesterday at noon [corrects himself] until last night at midnight. In view of the seriousness of the situation, necessary arrangements should be made immediately so the country can be freed from the sanctions. [applause] Now, I believe it is up to the parliament to take up its responsibilities; a request should now be sent to the parliament so they can consider what we have just said, because we are the voice of the people, whether you like it or not. It is up to them to decide.

[Announcer] At the same time, 20 political parties and organizations signed an 8-point [as heard] declaration requiring the immediate application of Article 149 of the Constitution for the formation of a government of national union. Noting the failure of the Governors Island agreement and of the Aristide-Malval government, those organizations also considered the negotiations on President Aristide's return to power closed for good. Let us listen to Hubert de Ronceray, leader of the Mobilization for National Development and one of the signatories to the declaration.

[De Ronceray] Considering that the Malval government issuing from the Governors Island agreement and the New York pact has proved to be unproductive, unable to unblock our main institutions, to end the deterioration of the social climate, the rocketing cost of living, the depreciation of the gourde, and the fall of the real revenue and standard of living of all social strata;

Considering that the Aristide-Malval government solicited and obtained military intervention on Haiti's sacred soil on 11 October in violation of Article 1, 8-1, 21, and those following thereafter in the Constitution in force;

Considering the failure of the Governors Island agreement, the New York pact, and the Aristide-Malval government, [we have] decided:

1. To consider the negotiation file relating to Jean-Bertrand Aristide's return to power definitively closed, beginning on 31 October at 0000, given that the Governors Island agreement has become null and void;

2. To require the immediate application of Article 149 of the 1987 Constitution providing for the formation of a provisional government of national union integrating all political forces of the country;

3. To hold elections within the constitutional deadline [45 to 90 days];

4. To solicit the mediation of the Holy See for the normalization of relations between the provisional government of national union and the international community;

5. To begin bilateral and multilateral talks with the United States of America and the Western powers with regard to building a state of law, restructuring our institutions, and the socioeconomic development for the establishment of democracy; and

6. To call on all other political parties, all socioprofessional groups, and people's organizations to join in the national salvation effort and the building of a democratic state in Haiti. Then come signatures: Rev. Richard [Vladimir Jeanty]....

[Announcer] These were the statements made on 31 October by Hubert de Ronceray, one of the signatories to this 8-point [as heard] declaration of the political parties, a total of 20 organizations and parties demanding the application of Article 149 of the Constitution.

FNCD Deputy Norzeus Demands Continued Negotiations

FL0111220693 Port-au-Prince Radio Metropole in French 1030 GMT 1 Nov 93

[Excerpt] Deputy Patrick Norzeus, of the National Front for Change and Democracy [FNCD] parliamentary bloc, demands continuation of the Governors Island agreement negotiations. Deputy Norzeus, who supports the United Nations' initiative to relaunch discussions between the Army and the government, thinks it is the only way to put an end to the political crisis. [passage omitted]

FRAPH Seeks Aristide, Cedras, Caputo Resignations

FL0111230693 Port-au-Prince Signal FM Radio in French 1800 GMT 1 Nov 93

[Excerpts] Noting that Haitian President Jean-Bertrand Aristide did not return from exile on 30 October as provided for by the Governors Island agreement, a constellation of political parties proclaimed this agreement null and void on 31 October and asked for the resignations of Aristide, the commander in chief of the Armed Forces, and the UN mediator. A resolution by those parties, read during a news conference in Port-au-Prince, said: The negotiation file on Aristide's return to power has been definitively closed as of 31 October, given that the Governors Island agreement is null and void.

Revolutionary Front for Haitian Advancement and Progress [FRAPH] Secretary General Emmanuel Constant asked for the departure of UN mediator Dante Coputo under the aegis of whom the Governors Island agreement was negotiated on 3 July. Constant suggested that Caputo be replaced by former U.S. [word indistinct] General Staff, General Colin Powell, who has recently retired. Reinforcing the feeling of an attempt to cave in a corner between the United States and the United Nations, Constant also paid homage to Lawrence Pezzullo, U.S. representative to Haiti, whose sense of responsibility and tact he praised in contrast to Caputo's.

The Governors Island agreement is dead, says the resolution, because it has not fulfilled its essential mission, which was Aristide's return to power on 30 October. [passage omitted]

Constant asserted that Aristide's resignation would be perceived as a patriotic deed. Concerning the commander in chief of the Haitian Armed Forces, Gen. Raoul Cedras, whose departure is also requested, the FRAPH secretary general stated that Cedras had served with honor and dignity. Raoul, we all love you, he said in English. [passage omitted]

Ex-Police Chief Favors Governors Island Agreement

PA0111160293 Paris AFP in Spanish 1511 GMT 1 Nov 93

[Text] Port-au-Prince, 1 Nov (AFP)—Franck Romain, former chief of police and former Port-au-Prince mayor who held the two positions under Jean-Claude Duvalier and Leslie Manigat, said today that he favors implementing the Governors Island agreement fully.

After denying that he is one of neo-Duvalierism's leading representatives, Romain told reporters that, despite "accrued delays," the agreement still appears to be feasible. "I think the most prudent decision is to keep negotiating," he added. Romain also said that General Raoul Cedras, Haiti's "strongman," "sounded more like a statesman" in his most recent remarks than ousted President Jean-Bertrand Aristide in his speech at the United Nations.

Romain said that, nevertheless, the solution proposed by certain parties to appoint a provisional president and call for new presidential elections "will not be accepted by our great neighbor," (the United States).

Finally, he strongly condemned the international embargo against his country and wondered "how is it possible to inflict so much suffering on the Haitian people in the name of democracy."

Salinas Gives State of Nation Address

PA0111183493 Mexico City Canal 13 Television Azteca Network in Spanish 1702 GMT 1 Nov 93

[Fifth State of the Nation Address by Mexican President Carlos Salinas de Gortari before Congress at the San Lazaro Legislative Palace in Mexico City—live]

[Text] Honorable Congress of the Union, Mexicans: I am fulfilling the constitutional requirement which states that the president is bound to report to the legislative branch the state of the federal public administration. I now deliver the written document that fulfills the requirement expressed in Article 69 of the Constitution.

One year ago I issued an appeal to the nation to consolidate the changes that guarantee Mexico's sovereignty and to take new steps on the road to justice, liberty, and democracy. With the work of all Mexicans we have advanced toward the achievement of that goal.

A year ago I proposed the consolidation of the diversification of our foreign relations, the essence of our international strategy. We are now about to conclude a free trade agreement with Colombia and Venezuela. We began a rapprochement of the Group of Three with the Caribbean, and a trade agreement with the Republic of Chile is being implemented in earnest.

Another step has been taken for the creation of a free trade zone in the north. Ecology and labor agreements were signed with the United States and Canada. Also, a new extradition treaty is being negotiated with the United States. We have increased political, cultural, and economic ties with Europe, and we are striving to become a member of the Organization for Economic Cooperation and Development, OECD. It is comprised of the most industrialized countries. Trade and investments with Asian Pacific nations are being increased, and our presence in their organizations continues to increase. The Ibero-American Conference and Rio Group are being strengthened.

A year ago I proposed that we make progress in our democracy. Since then, based on dialogue and debate, new steps have been taken for reforms to the legal electoral framework, not only dealing with the conditions for a political event but also the representation system and the organization and evaluation of elections.

New forms of consultation are being consolidated to establish a consensus and settle disputes. Everyone's cooperation to maintain political stability and social peace is recognized. I proposed the consolidation of human rights, and the national commission in charge of sponsoring them has now increased its sphere of action, which is appreciated by society. Religious organizations are registered and the exercise of freedom of worship is being strengthened in accordance with the Constitution.

A year ago I proposed a consolidation to stabilize prices. Today annual inflation is approximately 8 percent. The new phase of the pact ratifies the pledge to abate inflation and uses the fiscal surplus achieved with discipline to reactivate the economy and strengthen the internal market. Progress is being achieved in the recovery of wages, including the minimum wage, in connection with productivity. A new regulation of competition establishes clear rules to prevent monopolies and to encourage free and legitimate internal economic activity. Support for micro, small, and medium-sized enterprises is being increased to facilitate their modernization.

We are working on consolidating the country's highway, energy, electric, telecommunications, and port infrastructures. We have committed ourselves to consolidating agricultural reform. New institutions are already springing up in rural areas to promote and administer justice.

New measures are being adopted to fight delays, titles of ownership are being granted, and we are resolving credit problems. The new agricultural program will allow direct and clear support to more than 3 million peasants.

One year ago I proposed consolidating the new social policy. The federalization of education has concluded in an orderly fashion. The substance of these educational norms is being revamped and teachers' careers now benefit both the teachers and our children's education.

Community participation in school matters is improving. This is also true of the program that trains teachers to promote literacy. Year after year the commitment to increase the education sector's budget has been fulfilled. New projects allow us to rescue and safeguard our archeological past.

The freedom of researchers and innovators is being supported. National art schools will soon have suitable facilities for improved development. The struggle in favor of children's health has improved tremendously. We have eradicated poliomyelitis and diphtheria. We have drastically reduced measles, tetanus, and tuberculosis, as well as parasitic infections.

The defense and protection of our environment is making progress. We have established protected areas that are larger than several European countries. Solidarity is reaching more communities, it is producing more basic works with organized settlers, it is granting more titles of ownership, it is supporting more peasant production, and it is promoting more social enterprises and jobs among the poor.

The struggle against poverty is making progress.

The laws we have passed mirror these changes. Constitutional reforms have expanded the rights of the Indian communities, have improved the electoral system, have upheld rights such as that of basic education, and have extended compulsory school attendance through the secondary level. Reforms have strengthened the right to freedom of religion and have given full liberty to landowning peasants with regard to their land and to the way in which they associate.

There are now more and better legal rights for all Mexicans. To maintain price stability, we have granted autonomy to the Bank of Mexico. We have opened new economic fields to promote popular participation. With an updated constitutional framework, we are working to transform Mexico into a more just and free country.

These joint efforts allow the consolidation of revolutionary reform, benefiting the people and invigorating the spirit of building the future.

In the face of this progress and within the consolidation of these changes, there are undoubtedly problems we must take care of, situations that need increased efforts, and new demands to resolve.

All this requires a deepening of ongoing transformations. This demands the same will and effort necessary for tackling the big changes of the past five years. Consistency, the abandonment of obsolete methods of operation, and the strengthening of new attitudes are necessary to turn changes into opportunities for improving the well-being of more families and more regions.

This takes time and requires a special sustained effort by all Mexicans.

The new changes challenge the creativity and character of us all. These are qualities that Mexicans have generously demonstrated that they have. We have been joining efforts to reach common goals. This is why the change is beginning to be consolidated despite the fact that benefits have not always reached their objectives as quickly as desired or to the extent necessary. Nevertheless, we are already a different Mexico, a Mexico that is beginning to harvest the fruits of its transformation.

We Mexicans understand this situation well. We know that things are now done differently, that changes take time, that adjustments have to be endured so that sooner rather than later the people's well-being will improve, that liberty and democracy will increase, and that respect and hopes will grow.

This is what thousands of fellow Mexicans have told me during my weekly tours of the country's interior. This has been confirmed by local and regional polls. Our fellow Mexicans demanded changes, and they now recognize the fact that we have been working for a new Mexican stage, a change which is deep and real.

We are in the process of completing changes under international circumstances. It has been difficult. After unprecedented expansion, leading European countries are experiencing their worst economic recession in the past 50 years. The United States tries to stimulate a recovery which has been particularly weak. The Asia-Pacific area loses momentum. For the same reason, voices that resuscitate old protectionism rise again in these centers of world activity. This has resulted in diminished markets and, in what has harmed us the most, prices for our products that are too low.

Consequently, in 1993 we have experienced one of lowest price levels for crude oil in the past 25 years. We also experienced the century's lowest coffee prices. Until not long ago, this product was our main agricultural export. Something similar happened to the prices of sugar, citrus fruits, grains, and precious metals. All of this hampers our potential for growth. Thanks to the changes effected, however, we succeeded in alleviating the unfavorable impact of the international situation, to the extent that, beginning with the new pact, we intend to reinforce the internal market to attain greater growth next year.

In terms of politics, the world climate sends contradictory signals. Unprecedented efforts for peace in the Middle East, South Africa, and El Salvador. [sentence as heard] At the same time, there exists the sad debacle of friendship, reason, and dignity in the old Yugoslavia as intolerance and racism reemerges. There are increasing conflicts in several African countries. Instability continues in Russia and there are ongoing civil wars in more than 30 places around the world. Old dissensions reemerge and intolerance surfaces, painful reverberations of days gone by. Also on our continent, some Latin American democratic institutions are being discouraged by blows. Fortunately, they seem to be doing well in this battle. In general, the world has not found the path to progress, common sense, and tolerance that the end of the Cold War could have created. Ideological and political reference points were lost and now must be recreated. No one escapes these tensions, but they affect more those who have not strengthened their existence by making changes in view of their own history and in light of new trends in the world.

This is why in Mexico, to become stronger in the face of international uncertainty and rise to meet the Mexican people's hopes, we consolidate our own transformation. The world's changes are not an enemy from which we should shrink or flee like someone who tries to escape the inevitable. The country has continued its active foreign policy both to influence the way we are affected by these circumstances and create favorable opportunities for the nation. We have been able to do this because previously we made the internal changes so we could raise our voice in international forums with authority and power and be listened to with respect. We forge ahead in the face of external challenges and internal difficulties. We have made new reforms to consolidate changes in law and reality.

Each step we have taken to diversify our foreign relations, ensure the exercise of freedoms, productively stabilize and transform the economy, and firmly establish a foundation for services and productive employment for the most needy has required that we undertake new actions. We have had to make new rules. It has demanded more decisions on our part, more nationwide dialogue among all sectors, more valor, and more trust in ourselves. This is the road to the future. Mexico's new modern way has changed nationalism insofar as it strengthens the nation, and it is of the people because it extends its benefits to the majority.

As I have said since the beginning of my government, changes have been neither immediate nor without great efforts. This has happened because we have had to overcome inertia, reach agreements, listen, explain, and encourage. This is because we want efficient and lasting changes. We do not want changes that destroy traditions or that ignore history, as this would erode our cultural ties which give us identity, fill us with pride, and are our future. We do not want changes that cost us our liberties, because then progress would be of no value and it would not respect Mexican dignity. We do not want changes that concentrate opportunities in one sector; rather we want one that incorporates all sectors in the nation's tasks and one that offers more to those who have less. We do not want changes that will harm our environment because we would be sacrificing our own efforts and jeopardizing our children's future.

Because of this, because of all we demand from the changes, it has not come without cost. Nevertheless, the changes we have undertaken and implemented were and continue to be indispensable to meeting the people's demands, that is, to keep the nation free and sovereign, to face with democracy the people's needs, and compete successfully in the world. I reiterate, all sectors of society have participated with their efforts, their determination, and their dedication in this not yet concluded process. They all deserve broad recognition. I have seen that capacity and that determination to overcome circumstances nationwide—in rural Indian communities I have visited, in each crowded neighborhood, in small and big companies, in schools, offices, and in various political organizations. This fills me with hope. I know that because of this we can continue making progress.

Given the pluralistic society in which we live, it is natural that diverse opinions on what the nation needs will emerge in the public forum. As a result, a broad national debate is taking place. We are bent on maintaining conditions so that this debate can be conducted with full liberty and respect. By allowing this debate and by giving careful consideration to various proposals, we honor the liberties we share that in turn have been consolidated. By responding with respect and reasoning, and by uniting society's efforts around these reasons, we honor the convictions that orient the nation's path. These convictions are based on history, set in our times, and definitely oriented toward a future that will better achieve the goals that always have motivated the nation.

In Mexico unanimity no longer exists, if ever it did. We currently have an open national dialogue about the road we have forged and about the one we should follow in the future. Behind the diverse positions currently being expressed—as throughout our history—we find not only tensions behind old habits and new ideas but also diverse interpretations of how to better achieve the nation's goals. In the past, many of these opposing points of view were discussed without reaching a consensus. In the 19th century the Liberals with their modern vision, opposing corporations and privileges, confronted the conservatives and their vision of the past inherited from the times of the colonies and the Civil and Intervention Wars. A progressive proposal, without popular participation, gave way to the 1910 Revolution. The revolution had to overcome constant opposition and many conflicts to build a new political organization that allowed the peaceful transfer of power; the implementation of agrarian reform, social security, and lay education; and recovery of the nation's resources.

The Mexican Revolution is not just one revolution; it consists of several viewpoints, different leaders, and differing proposals. That is why we have had several different expressions of one single revolution. Several individuals at a specific time have had the opportunity, and each one discharged his responsibility. Today, within the lofty principles that have characterized the Mexican Revolution, we have defined our own expression: the reform of the revolution.

The projects designed under this reform are confronting old practices and viewpoints. The new changes in Mexico are also encountering resistance, but the country has advanced a great deal. The people have now found peaceful and civilized ways of expressing opposing viewpoints, and this has helped the practice of debate contribute to the advances in the nation. Debate participants no longer view each other as enemies but as loyal, different, and respectable adversaries, all in search of a superior objective.

The vision of the future that I have proposed to the nation does not yearn for the past, nor does it deny its achievements. As a matter of fact, we have yesterday's great achievements to thank that we now have a platform on which a better future can be built.

Our brand of social liberalism does not oppose traditions; it incorporates them and gives them the power to achieve transformations, as in the case of the National Solidarity Program. It does, however, modify habits and eliminate the inertia that were keeping the country from advancing. The return of those habits and that inertia would not help us achieve our national objectives. If our greatest pride is in our past, we have managed to keep that very past from becoming—due to an interpretation born from inertia and habit—our greatest obstacle.

Mexico cannot allow nostalgia to distract it from taking action. Mexicans want to continue advancing because we are proud of what we have achieved and because we are sure of the objectives we want to reach. By looking to the future and acting for the future, we will best be able to honor our past and take advantage of the new opportunities that our work has created. This will allow us to live fully and productively with the various interpretations of our times and with the common base of references that we have managed to set up in the law and through our actions. All of us can publicly abide by these sets of references coupled with the principles of respect, tolerance, and good reason.

In the final analysis, it is the people who inevitably express acceptance or rejection, and all of us have to submit ourselves to the judgment of the Mexican people. That is why I have pointed out that even though there are many tasks to be accomplished, we have undertaken changes in the country's political, economic, and social life. Thanks to these changes—which I am going to outline shortly—a stronger Mexico is emerging; a Mexico that is better achieving its historic objectives under present day conditions and is gaining more respect throughout the world.

World political circumstances continue to awaken hope while at the same time they exacerbate uncertainties. That is why Mexico has been facing the new times with the strength of its foreign policy principles and has been diversifying its relations for strategic reasons. In reaffirming our principles, we propose that international relations both within organizations and between countries adhere strictly to law and incorporate the changes demanded by the new world order.

Through diversification we have given balance to the intense relationship with our powerful neighbors and have brought faraway countries closer, particularly nations with the greatest cultural and historical affinity with Mexico. Diversification is the policy for a world with several economic centers but one single military center, and for the defense of sovereignty and the promotion of national interests at a time when the Cold War has ended. In this way Mexico has strengthened its voice and its presence abroad, a deliberate objective promoted by the government. We now maintain relations with 175 countries, 28 more than at the beginning of this administration, and we have fluid political communication and understanding with all the regions of the world.

Over the past five years I have held over 350 meetings with heads of state and government. In 1993 I spoke with 45 leaders at 87 meetings aimed at intensifying our friendly relations, increasing exchange with Mexico, and promoting peace.

Toward Latin America, Mexico has carried out unprecedented, sustained activities. I have met with all the region's presidents on 193 different occasions. In each case, the level of political dialogue improved and economic and cultural exchanges increased.

We have signed 70 agreements and treaties and 115 interinstitutional agreements with Latin American and Caribbean nations. We have launched a new diplomatic offensive completely free from rhetoric to guide our relations and hasten integration. When Mexico's mediation was requested to support the peace efforts in El Salvador, Guatemala, Colombia, and Haiti, we did so with respect and efficiency. Thus Mexico is a stronger, more respected, and more appreciated actor in Latin America.

Mexico's actions in Latin America in 1993 have been particularly dynamic. We have signed 22 cooperation agreements. In July I met with the new president of Guatemala, our neighbor to the south, who this year reaffirmed his democratic calling. Guatemala has received one-third of the cooperation Mexico gives to Central America. Mexico also confirmed its resolve to continue supporting the process of dialogue and pacification between Guatemalan political forces while still observing strict respect for that country's sovereignty.

Mexico has considerable cooperation projects with Belize. The prime minister of that neighboring country visited Mexico in August, and we pledged to protect our ecological reserves, broaden trade, and wage a stronger fight against drug trafficking.

In February I visited Nicaragua, and in August I received a visit from the Nicaraguan president. We reviewed existing agreements and signed new aid and cooperation agreements. I reaffirmed our country's resolve to continue supporting her process of peace and development during the difficult times she is currently experiencing.

During my visit to El Salvador in July we signed over a dozen cooperation agreements, and I also confirmed Mexico's resolve to continue respectfully cooperating in the implementation of the Chapultepec peace agreements and with the UN Observer Group in Central America.

Close cooperation and free trade negotiations continue with Costa Rica. I toured the most important archaeological sites on the Mayan culture route with the presidents of Guatemala, Honduras, and El Salvador and with the Belizean prime minister. At the end of the tour we signed the Copan Declaration pledging to protect Mayan archaeological areas and to encourage the development of neighboring communities.

We have worked toward broadening our ties of friendship and cooperation with the Caribbean. In September I received a visit from the Jamaican prime minister, and in October I met with the presidents of Colombia and Venezuela. In Trinidad and Tobago I met for the first time with the Caribbean heads of state in a historic meeting to create the Association of Caribbean Countries.

During the five years of my administration, I have visited all the South American countries. Mexico has an active presence in those beloved nations. In December 1992 I made a state visit to Paraguay, the first such visit by a Mexican president. During that visit we signed technical, scientific, cultural, financial, and trade cooperation agreements. During 1993 I made three visits to South America. I met twice with the president of Chile, and we defined actions to strengthen the successful free trade agreement that exists between our countries. I met in Mexico with the presidents of Ecuador and Uruguay. Both visits, which were marked by an atmosphere of great cordiality, allowed us to sign specific cooperation agreements pertaining to various matters of interest for the development of our nations.

I have participated in five presidential meetings of the Rio Group. Two of those meetings took place during the period covered by this report: one in December 1992 in Buenos Aires, and the other in October 1993 in Santiago de Chile. This group, the membership of which was broadened in 1991, coordinates our political resolve to deal with regional problems, promotes harmonious relations between the different processes of trade openness within the community, and establishes regional ties with Europe. The Group of Three, formed by Mexico, Colombia, and Venezuela, is making rapid progress on a free trade agreement that we have pledged to implement in January 1994. We have also pledged to broaden political and economic dialogue with Central America.

In July I attended the Third Ibero-American Summit in Salvador de Bahia. This initiative by Mexico has proven to be a valuable opportunity for dialogue at the highest level among countries united by historical and cultural values. Our last meeting allowed us to create proposals and an agenda for development and to consider innovative methods of social cooperation among our countries.

Mexico has notably increased its participation at regional forums and organizations. We managed to make the OAS acknowledge the importance of the struggle against extreme poverty as an essential element for sustaining the stability and development of democratic institutions. An extraordinary assembly on this topic will be held in Mexico in 1994.

Over these past five years, the level of our relations with the most industrialized countries of America, Europe, and the Asian Pacific has increased. We are trying to take advantage of our privileged geographic location and the opportunities we have created to increase investment, trade, and cultural exchange and to broaden Mexico's participation in leading multilateral organizations.

Concerning the United States, we have built with our governments a climate of cooperation and mutual respect that seeks to modify the difficult relations of the past. In such a complex relationship, we cannot but experience serious differences, but we will always maintain the firmness of our principles. By enhancing these relations we can better defend Mexico, whose proximity with the most powerful nation in the world is unavoidable.

The most outstanding points over the past five years have been the financial agreements, the renegotiation of our debt, and of course, the conclusion of the North American Free Trade Agreement [NAFTA] negotiations, also signed by Canada. Also outstanding is our new cooperation in counternarcotics efforts, in environmental, labor, educational, and cultural matters, and in our efforts to improve relations on the border. [Salinas is briefly interrupted by an unidentified man, who calls for order]

At all times we have been clear and direct on the most difficult issues of our relationship, such as...[voices and heavy applause in the background; Salinas pauses] the treatment given Mexican immigrants, attempts at the extraterritorial implementation of laws, unilateral actions in the area of trade, and the struggle against drug trafficking. I must reiterate that in protecting the human and labor rights of immigrant Mexican workers in the United States, we will maintain full support for our fellow Mexicans and will strengthen the government's actions. [applause]

For its consular activities, Mexico has an important tool with which to defend the interests of nationals abroad, promote our country's image, and achieve a greater commercial presence. The number of consulates we have is constantly increasing. At present we have 51 in the United States out of a total of 250. Relations between our nations receives from both nations the highest level of government attention. I have made 18 visits to various U.S. cities to promote our interests at business, academic, and cultural forums. We have a growing relationship with the Mexican-American community, which is proud of its roots and is working honestly and with dignity to make its country greater. We are still strengthening this relationship.

In January I met with the recently elected president of the United States. In an atmosphere of great cordiality and respect, we agreed to promote the many issues on the bilateral agenda.

We also agreed to review the extradition treaty, to confirm the total prohibition of kidnappings beyond our borders, and to establish the applicable legal sanctions in case the treaty is violated. As far as we are concerned, a legal reform states that kidnappings for third countries are comparable to the crime of treason to the homeland.

Our relations with Canada—our relations with Canada—have become increasingly important. This is proved by the constant dialogue between our governments and increased exchange. In 1992 alone, investments by that country in Mexico increased by 18 percent, and bilateral trade increased 16 percent. Aside from the free trade treaty with Canada, we continue with various cooperation accords in the mining, housing, forestry, and education technology.

Mexico has begun a broad initiative for rapprochement with Europe. This has changed our ties with the old continent, which had considered Mexico outside the scope of its direct interests since the end of the war. Paradoxically, the perspective of a free trade treaty helped change a former European curiosity into a frank interest in investing in and trading with our country. Now, due to our in-depth internal changes, the most important political and economic groups in Europe have stated Mexico is now a center of attention for them, regardless of its potential in the North American region.

We signed with the EEC the most complete economic cooperation agreement it has ever signed with a Latin American country. Similar agreements have been signed with Italy and France, and we are about to do likewise with Germany. The EEC investments in Mexico have increased by more than 50 percent and trade has increased by almost 100 percent. We are founding members of the Bank for

Reconstruction and Development of Eastern Europe. Our country has been invited to begin talks for its admission as an OECD member with full rights.

In 1993 we strengthened our political dialogue and increased the opportunities for exchange with this important region of the world. The tour I carried out in September confirmed the EEC—as well as Belgium, the Netherlands, and Sweden—was interested in strengthening ties with our country. We also inaugurated the Europalia Mexico 93 Exhibition, a European event that was dedicated for the first time to a Latin American country, and in which we displayed an ample and representative example of our art and culture.

Within the period covered by this report we were visited by the FRG president with the intention of strengthening our exchange and cooperation in various areas of common interest. The following also visited Mexico: the president of the commission of the Commonwealth of European Communities; King Juan Carlos of Spain; Prince Alberto of Lieja, now king of Belgium; and Charles, prince of Wales. Following the dissolution of the Czech and Slovak Republic, Mexico formally established relations with these two nations in January. We were visited by the prime minister of the Czech Republic in October. This allowed us to establish the groundwork for friendship and cooperation that will support our relations.

The visit by Pope John Paul II, which was so appreciated and loved by the Mexicans, deserves special mention. It was carried out within the framework of our newly restored diplomatic relations. Hundreds of thousands of fellow citizens happily went to the Yucatan to meet with this pilgrim of peace. It was his second visit during this administration and it was again marked by our country's high degree of enthusiasm and genuine emotion.

Within the last five years, we have established a new and much stronger presence in the Asian Pacific region, the one with the greatest economic dynamism in the world. Our country is a Latin American pioneer in multilateral economic forums in that region. We have strengthened bilateral ties following the tour we carried out in 1990 and based on their leaders' recent visits. On those occasions we explored the possibilities of strengthening our cooperation and exchange relations with all the nations in that dynamic part of the world.

Our relations of friendship and cooperation have been strengthened with other countries and also with other regions. In December 1992, we agreed with Israel on a mechanism to facilitate trade and foreign investments. We also have strengthened our relations with Arab countries. In June, we established diplomatic relations with Eritrea, which had recently won its independence. In response to an appeal to the world by South Africa, we established relations with that country also.

In terms of multilateral affairs, we have continued implementing an active policy in favor of peace, development, and international law. We also have contributed to the international initiatives of the United Nations in favor of children and the environment. We have strictly complied with our international commitments.

At the most recent UN General Assembly sessions, we spoke in favor of equality in its most important organizations. This great institution, which was created to resolve the needs of the geopolitical circumstances of the Cold War, must be modified now. Our position is to strengthen the organization, to give more weight to the General Assembly, and to introduce adequate regional representation at the UN Security Council with an expanded number of permanent members and with a redefinition of the voting and veto systems. The Mexican Government is working very close with the secretary general on mechanisms to analyze and to make proposals to carry out this indispensable UN reform.

We have signed five multilateral agreements on drug trafficking, human rights, and chemical weapons, with Mexico being the main promoter of the Convention on Chemical Weapons. In June, at the Human Rights Conference held in Vienna, Austria, we promoted all the resolutions aimed at strengthening the people's guarantees and opposed the creation of mechanisms that, with the excuse of the defense of human rights, act against the sovereignty of individual states.

The Mexican Armed Forces are a bulwark of territorial security and the best guarantee that our natural resources and vital installations are safe. Their work for the past five years has been exemplary. They have demonstrated their historic courage, discipline, and patriotism. They have supported almost 800 towns that have endured natural disasters; promoted 62 health programs throughout the country; and cooperated in the struggle against drug trafficking, eradicating marijuana and poppy plantations in more than 73,000 hectares while risking their lives to safeguard the nation's security.

This is how our Armed Forces day after day demonstrate their commitment to the security of our institutions and to the protection of the Mexican people.

In 1993, they helped the victims of floods that affected 24 states, and they cooperated in the extinguishing of 182 fires that damaged the forest resources of 22 federal organizations. The immediate, dedicated, and efficient work of our Army in September and October in the Gulf of Mexico in the face of Hurricane Gert also deserves our acknowledgment.

Our soldiers and men and women of our Navy have upheld their firm commitment by permanently working for the social benefit of the Mexican state.

In the past two decades the Armed Forces have been transformed, their commanders have been renewed, and their doctrines have been made suitable for the security of the country and the people. They have improved their training and have ratified their loyalty.

The government has the task of constantly improving the infrastructures that support the work of the Army, Air

Force, and Navy of Mexico and to procure the well-being of those who proudly form part of our armed institution and of their families.

In 1993, the government built and granted credits for the construction of more than 1,800 residences and initiated the construction of another 2,200 residences to reach the six-year residence construction goal of 12,000, almost twice the number of residences built for the Armed Forces over the past 75 years.

We also have improved assistance facilities and services for the members of the Armed Forces.

Having been born with the Mexican Revolution and having the heroic children of Chapultepec as their inspiration, the Armed Forces' loyalty and prestige confirms that this is a true institution of the fatherland.

I reiterate that Mexico moves forward confidently and calmly through the contribution of the Armed Forces, a source of pride for all the Mexicans. For this reason, I want to most firmly acknowledge the patriotic and loyal work being carried out by the Mexican Army, Navy, and Air Force for the sake of Mexico. [applause]

The constitutional reforms and human rights institutions created during this administration renew our legal status and expand our fundamental freedoms. This has made the country stronger. The need to better protect personal rights prompted the creation of a National Human Rights Commission in 1990, its constitutional foundation in 1992 as an autonomous organization, and the establishment of 32 commissions in the states. This ombudsman system is the world's largest, and virtually all of it is operating. The National Commission has reasserted its moral authority under the principles of autonomy and independence and has already taken root in the nation's life. In nearly three and one-half years, it has received more than 23,000 complaints and followed up on more than 20,000. These efforts against impunity have involved penal actions and administrative sanctions, many of which have resulted in dismissals or suspensions. We have initiated a special action to support full compliance with the recommendations made that remain unheeded. The government reiterates its firm support for full compliance with all recommendations.

In the field of procedural guarantees, the constitutional reforms approved in these years have taken into consideration the socioeconomic condition of those accused of crimes to guarantee reparations for damages. Thus the accused can be provisionally released according to law. The detained person can make statements only in the presence of their counsel for defense before the justice of the public prosecutor's officials. In addition, those in charge of enforcing the law are expressly forbidden from holding anyone incommunicado or intimidating or torturing them. Violators of this prohibition are subject to heavy penalties. The Permanent Constituent Commission recently approved amendments to Articles 16, 19, and 20 placing limits on the arrest of people during preliminary investigations conducted by the Attorney General's Office. In addition, organized crime is defined, thus making it possible, within the framework of the defense of human rights, to face the new forms of crime, particularly drug-related crime.

The reform of Article 119 expanded the framework of cooperation in the prosecution of criminals by authorizing the signing of agreements between the state attorney general offices, the Attorney General's Office, and the Prosecutor's Office in Mexico City. In cases of serious criminals or repeat offenders in the states, laws were amended to prevent those persons from being paroled, given an early release, or receiving a partial remitted sentence, except when cultural backwardness, social isolation, or extreme poverty is demonstrated. Under the preliminary release scheme, 9,500 people have benefited. At the same time, 12 social rehabilitation centers are under construction with a 16,000-person capacity. We seek to create adequate conditions so the penitentiary system not only penalizes but contributes to rehabilitation.

We struggle firmly to prevent drugs from affecting the Mexican people's health and safety. In five years, organized groups of drug traffickers have been captured and more than a dozen of their most sought-after leaders have been brought to trial. From December 1988 to July 1993, nearly 89,000 persons involved in crimes against health have been arrested. To this we must add the destruction of over 100,00 hectares of illegal crops, the confiscation of more than 2,000 metric tons of marijuana, nearly two tons of heroin and opium paste, and more than 210 tons of high-grade cocaine. Society became fully aware of the importance of fighting drug trafficking when, in the midst of a shooting between two rival bands, Cardinal Juan Jesus Ocampo died tragically and unjustly. His memory will always be with us for his generosity and gentleness. I will always appreciate his friendship. The Attorney General's Office has increased its efforts to arrest the perpetrators of this crime. Everyone must now respond to the problems of drug trafficking and to end this grave evil. The cardinal's death in May was a painful and tragic event. In August, we received a pleasant visit from His Holiness the Pope and his message of encouragement.

We created the National Institute to Fight Drugs. This institute will carry out this important task for the good of Mexico with the most modern technology and methods. I reiterate, this is an untiring sovereign struggle. However, we will not find the definitive triumph within our borders. This triumph will be achieved with adequate international cooperation. As long as the consumption market continues to provide great profits, the struggle against these organizations will represent very high costs for our people. Mexico promotes the discussion of this problem at world forums to ensure that, through respectful cooperation, we may make progress in this common war.

The government believes that it is very important to respect the law and ensure that the law is respected to strengthen public order and the people's tranquility. With the help of the state governments, we have begun to modernize and expand their justice and security organizations. In an attempt to do this, during the past year approximately 100 million new pesos have been transferred to the states. We will double our efforts to ensure that every Mexican will be safe and his property protected.

The administration of justice has become more active and expeditious in this year. In the federal jurisdiction more than 110,000 investigations have been carried out and more than 68,000 arrest warrants have been issued. In the Federal District approximately 21,000 investigations have been carried out and more than 5,000 arrest warrants issued. The Federal Public Prosecutor's Office agent career track and the Federal Judicial Police career track were implemented as well as a system to grant social and economic awards.

We have also amended the federal law that establishes the responsibilities of a government official. This has allowed us, the government employees, to work as a team in light of the new situation surrounding the country, and to be strict in demanding responsibility. Since the beginning of this administration, more than 70,000 administrative punishments have been given and approximately 6,000 criminal and abuse charges have been presented to the appropriate authorities.

Within the framework of respect for our Constitution's republican principles, the Executive Branch I head promoted the efficient cooperation between the Legislative and Judicial Branches by providing the necessary elements for the correct practice of their duties. In these past few years strong cooperation between the federation and the states has been maintained by strengthening the states' treasuries, infrastructure, and education; by contributing to the construction of basic services; and by expanding our support for production.

The importance of the legislative function that surrounds the democratic life of the country also motivated the constitutional amendments to Articles 65 and 66. Because of these amendments, as of 15 March 1995, the honorable Congress will have new dates to hold its ordinary sessions. This change will give the Congress adequate time to present the federation's income law and expenditure budget and will allow better organization of legislative work.

We continue with our traditional policy of granting asylum and of helping all those who may request refuge in our country. We are providing the more than 42,000 Guatemalan refugees settled in the Campeche, Chiapas, and Quintana Roo States with all the resources they need to produce their own food and to be self-sufficient. We are also providing them with basic services such as health and education. During the first six months of 1993, and fully respecting their decision, 3,600 of those refugees were repatriated. Since 1984, when this process was initiated, more than 11,000 Central Americans have returned to their countries.

In the world of the late 20th century, the immigration issue has become one of the most delicate political issues. This issue has created much tension and much is said about it in the industrialized countries, in Europe, in the United States, and in many developing countries. In Mexico we are determined to maintain our recognized tradition of granting asylum to political refugees as well as to those who seek asylum for humanitarian reasons. However, we must not forget that our country's population has not increased because we accepted large groups of immigrants but because our own population has grown. Historically, we have granted very few certificates of citizenship and we are very proud of the Mexicans who are Mexicans because they were granted citizenship. That is why we will not allow ourselves to be used to exert political pressure or to negotiate with third countries. During the period covered by this report, we have deported approximately 125,000 people who were in our country illegally.

The new legal framework for religious associations responds to the country's new conditions and is sensitive to the people's personal convictions. These reforms culminate a lengthy process of conciliation and tolerance and promote a clear way for the Mexican people to fully exercise their freedom of religion. This is an important step in the country's civilian and modern life, which concurrently reaffirms the principles of freedom of religion, separation of church and state, secular public education, and respect for the differences and freedoms of others. To date, 900 churches and religious organizations have already obtained their constituent certificates and with them legal status.

This year two state governors, 212 local deputies, and 1,107 municipal presidents were reelected in 14 states. The results manifest our political plurality and the growing diversity of options. In 1993 for the first time we used voting cards with photographs of their bearers in 13 federal states. Of the 40.367 million citizens listing based on the new electoral census.... [Salinas pauses while Congress President Hugo Andres Araujo calls the audience to order] current coverage of the census program and the distribution of the new cards is over 37 million citizens. This is an encouraging figure if we consider that we have an adequate amount of time to distribute the remaining cards.

The country is still building its democratic reforms. It has gradually changed its political institutions. In some circles there has been a greater degree of consensus for the modification of these reforms, in other circles a greater debate has been generated. This is natural in a changing society and in a Congress that expresses the forces, the arguments, and the various positions of a pluralistic Mexico. We have all learned the value of seeking rapprochement, the decision to open possibilities to a change, the need to always make the greatest effort to avoid being excluded. Everyone wishes for greater levels of consensus and differences have been expressed with respect and freedom.

Since December 1992, there has been an intense exchange of opinions and proposals on the consolidation of our political and electoral institutions. Debates enriched the various reform proposals that the political parties presented on the subject during the extraordinary period of sessions summoned for this purpose. During that period, which ended in September, the Permanent Constituent Assembly [Consituyente Permanente] approved constitutional reforms to Articles 41, 54, 56, 60, 63, 74, 82, and 100. Thus, more than 170 articles of the federal code covering electoral procedures and institutions were reformed. These reforms allow the Senate to be opened by a minority for the first time. The so-called governability clause has thus been eliminated from the Chamber of Deputies, which prevents a single party from reforming the Constitution.

The process of self-classification [autocalificacion] has also been eliminated and is being replaced with the decision of the electoral body and, in cases of controversy, of a tribunal with full jurisdiction, autonomy, and an appeals chamber. [sentence as heard]

Likewise, the reforms are expanding within the time frames established by the Permanent Constituent Assembly. They include reforms on the eligibility requirements for presidents of the Republic, and they regulate, for the first time in our history, the financing of parties. Ceilings are established for campaign expenses [indistinct shouting from audience] and access to the media is being regulated to make competition among parties fairer. [indistinct shouting from audience continues] I must stress that such reforms were approved in general by the favorable vote of the legislators...

[Araujo, interrupting] Excuse me, Mr. President.

[Salinas continues] ...of those political parties that represent 84 percent of the members of the Chamber of Deputies and 87 percent of the members of the Senate of the Republic. [applause]

[Araujo] This Presidency reminds you that no interpellation is permitted. We are going to continue listening to the report being presented by the president of the Republic to this legislature. [indistinct shouting] Please continue, Mr. President. [applause]

[Salinas] The moments experienced during those days reflect the intense legislative work. [indistinct shouting] The debate in Congress was extensive and serious. Without a doubt, the Mexican people appreciate the dedication of their legislators and the importance of their work. My respect and recognition to the deputies and senators of the Congress of the union. [applause, indistinct shouting]

This period of reforms has thus ended. [indistinct shouting] Within the next few months, we will have the encouraging opportunity of making those changes a reality...

[Araujo, interrupting] Excuse me, Mr. President. Comrades, this Presidency asks you to remain quiet. Continue, Mr. President.

[Salinas] And we will have the opportunity to improve, based on everyone's commitment to the new laws, the relations among the various political forces. [indistinct shouting] Up until its final day, my administration will be committed to the search for political civility. [indistinct shouting] Its conduct will continue to be defined by dialogue, concerted efforts, and political tolerance in an effort to respect everyone's commitments. I believe in frank debate and the seeking of agreements. Next year, there will be federal elections for the president of the Republic, deputies, and senators, in accordance with and within the framework of the new constitutional text. [indistinct shouting] Because of the reforms, the future outlook points to a system of strengthened parties. Citizens have seen their options expanded. Definite bases have been established for a perspective of political civility in the future electoral competition. Through their actions, all have contributed to Mexico's democratic reform. [indistinct shouting]

I want to reiterate that democracy is a real process that depends on the parties' ability to assume political commitments within the framework of the law. The important thing is that the differences will not close the possibility of achieving better coexistence and new democratic advances. The important thing is that all political forces increase their awareness about their growing responsibility with regard to the nation's destiny. Disagreement, no matter how great, can always be resolved among ourselves as long as each Mexican is committed to our fatherland's sovereignty. The nation now demands the democratic commitment of the authorities, each citizen, and all parties to fully act within the law and always maintain public order. [applause]

In recent years, Mexican people have undertaken an enormous collective effort to place the economy on firm ground and to lay the foundations for sustained development that will provide equal opportunities to everyone.

It has been worthwhile: The country has recovered its stability, it is growing moderately, and it is making progress in making structural changes in its production activities.

We have brought inflation down from an annual rate of nearly 200 percent to less than 10 percent. We are approaching a goal that not long ago appeared impossible—namely, to match the inflation rate of developed countries—and this is happening within the context of price liberalization and full supply conditions.

By defeating inflation, we canceled the most regressive force, and we substituted speculation with production-related investments. We are building an environment in which to grow, to generate employment, and to compete in the world.

We have reduced the foreign debt, which at the beginning of this administration represented a great burden on our efforts. The foreign debt level is now in agreement with an outlook of additional and permanent economic growth. We have passed from an average growth of zero throughout nearly all of the 1980's to moderate growth that, for five years running, is above the population increase level.

We also have passed from public finances that had a chronic deficit to healthy public finances. In the past two years, there was a surplus, a unique situation in our history and in the world. This is why, while in almost all other countries taxes are going up, in Mexico we have decreased them in an effort to support individual and collective efforts. By renegotiating the foreign debt and reducing the domestic debt via the sale of public enterprises, we have freed up large resources for social expenditures, which have increased by almost 85 percent in five years.

Within a relatively short time, we have passed from a closed economy to an open economy. We have also moved from an owner state that was the main actor in the country's economic life, to a supportive state that has a clear commitment to social justice, that backs infrastructures and production, and clearly backs and regulates the initiatives of private individuals to promote growth and competitiveness.

Mexico is concluding this last decade of the century with its eyes on the economic challenges of the future—productivity and competitiveness. To meet these challenges, enterprises are restructuring, redesigning their production processes, and enhancing their efficiency. They now have a favorable environment that features stable regulations, legal guarantees, and public services that are in line with world standards. Some sectors have concluded their modernization processes, while others have made much progress in this direction. Meanwhile, others are just beginning. They all have a commitment to productivity—a commitment to their enterprises and to their country. The modernization task is complex. It implies substituting obsolete machinery with modern installations. The substitutions cannot take place overnight. This demands expertise and financial resources. It requires establishing what is the most suitable equipment, buying it, and installing it. It demands the training of workers. Although in many cases, hurdles are compensated by the generation of jobs, in other cases, adjustments upset the daily life of many Mexican families.

Collective work contracts have become more flexible to replace clauses that hinder productivity with others that promote productivity and assure that the workers will benefit from the increased production. This process takes time.

Competitive enterprises must have a healthy financial environment. This implies the investment of capital, the restructuring of debts, the establishment of strategic alliances, and the professional training of workers. This transformation is taking place in thousands of enterprises throughout the country, but it takes time.

A global trend toward recession has not favored the general process of economic changes, and it has increased the related burdens. The cost of the reconstruction of Central and Eastern Europe in the wake of the Cold War, as well as fiscal imbalances in the industrialized countries, have produced a rise in interest rates in Europe, low growth worldwide, a slowdown in international trade, and a deep deterioration of the exchange rate in terms of agricultural and mining products.

Despite the complex internal transformation process, and despite an adverse international environment, we are witnessing many encouraging signs. Between 1988 and 1992, investments, viewed as proportional to products, rose from 17 percent to 22 percent, and they continue to grow, with most of them concentrated in the areas of machinery and equipment.

From 1990 to date, the number of manufacturing establishments increased by some 40,000, bringing the current number to close to 127,000. For their part, in the past three years the productivity of the workers in the manufacturing industry increased by 19 percent and continues to increase today. Manufactured goods exports are growing rapidly, which shows greater penetration by our products in the international markets.

Let us objectively compare today's difficulties with the much more serious problems that existed several years ago. The eras of obsession with unpayable debt and anxiety over excessive inflation are gone. With them have gone the image of discouragement and the lack of confidence in our own strengths. This has not been the product of favorable external circumstances. It has been the result of our daily work and of keeping to the course we set for ourselves.

We have challenges. Indeed we do, and we are working to meet and overcome them. Changes are being made, and they are being made deliberately in order to stay in tune with today's world. Mexico will not lag behind; it already is a prominent player in the international economic sphere. We are working to increase even further our production and export potential, and our capacity to generate jobs and to improve social well-being.

The results are already extending our outlook beyond the economic sphere, and are encouraging us to carry even further state reform, the microeconomic revolution at the individual business level, and the National Solidarity Program.

The great economic transformation experienced a complex year in 1993. At the same time that bases for the future were being strengthened, many families and businesses were experiencing hard times, but their woes would have been even greater if the required changes had not been initiated and maintained. Beginning the first half of 1993 the economy registered a growth rate of 1.3 percent, a rate that was lower than the previous four years. We had anticipated this in the general remarks on economic policy delivered to the Congress in November 1992, when we considered that the economic outlook did not offer the conditions to set a growth rate goal higher than that of 1992.

From the sectorial viewpoint, the slackening of economic activity has not been uniform. During this period the services and industrial sectors grew by 1.9 and 1.2 percent, respectively, while agricultural, forestry, and fishing activities registered a drop of 1.5 percent. Aware that the current slackening of economic activity is a temporary result of the internal modernization process itself and of a not-very-favorable international situation, at the most recent renovation of the pact [Economic Growth and Stability Pact, PECE] in October we agreed to carry out a number of actions to overcome the circumstantial problems and to carry on.

All of the sectors agreed to continue the struggle against inflation. A broad package of tax reductions for workers and businesses was approved so as to help reactivate the internal market. The recovery of the minimum wage and of contract salaries was made permanent by linking them not only to projected inflation but also to increases in productivity. The cost of industrial raw materials for the public sector was lowered, to take them to the international reference level. Considerable additional resources were assigned to new rural area direct support programs. This was done with the fiscal surplus, a fruit of the cumulative efforts of all Mexicans, so as to responsibly foster economic reactivation without any expansionist policies. This is also going to be achieved through a balanced budget project that I will present in due time to the Chamber of Deputies of this Honorable Congress of the Union. With this renovation of the pact, Mexico is responding to international as well as to national circumstances.

Fiscal discipline is an essential element if one is to permanently hold inflation in check and promote sustained growth. The public sector went from a financial deficit of 12.5 percent as compared to the national product in 1988 to a surplus of 0.5 percent in 1992. By the end of the first half of 1993, the public treasury reflected a surplus of almost 13 billion new pesos, which represents close to 70 percent of the goal set for the entire year. This result is reflected in a drastic reduction in public sector indebtedness.

At the end of 1988 the total net debt of the public sector represented a little more than 68 percent of the product. Currently this figure stands at approximately 22 percent. Within this total the balance of the net external debt dropped from 48 percent of the product to only 12 percent in 1993. The balance of the internal debt was substantially reduced. While in the industrialized countries the internal debt represents between 60 and 120 percent of the product, in Mexico the internal debt reached only 10 percent in the first half of 1993. This demonstrates the scope of just how much Mexico has been pulling out of public indebtedness.

The tax system reforms have sought to create a more just and efficient treatment and at the same time increase tax collection. The minimum income tax rate for private individuals was lowered from 50 percent in 1988 to 35 percent at present. In addition, the enterprise income tax rate was lowered from 40 percent in 1988 to 35 percent at present. This created a suitable climate for investment. The value-added tax was lowered from 20 and 15 percent in 1988, and to 10 percent in the last months of 1991. In addition, and in accordance with the pact, I will present to the Congress a tax package to raise by between 7.5 percent and 10.8 percent the available income for workers who receive the minimum salary. This will ensure that workers who have an income of up to two minimum wages, will not pay taxes and will benefit the almost 7 million workers who earn less than four minimum wages. [sentence as heard]

I will also propose that companies' income tax be reduced from 35 to 34 percent, that income tax on credit operations in foreign countries be reduced by two-thirds, that there be a more expeditious investment reduction on vehicles and anticontamination equipment, and that companies be allowed to pay their taxes in partial payments, basically the taxes on their assets.

We have broadened the tax base. The number of contributors, besides regular workers, increased from 1.7 to 4.8 million between 1988 and July 1993. In this way, we have managed to curb inequities and give all contributors a similar treatment. At the same time, we have considerably increased tax revenues despite the reduction of rates. While the estimated growth of the product for the 1989-93 period is 17 percent, the nonpetroleum taxes will have increased 34 percent in real terms. Thus, we have consolidated our tax program, which strengthens savings and promotes work in society with less taxes and more contributors.

The fiscal reform and the reorganization of the public sector have allowed us to erase the debt, reduce the total levels of expenses, and increase our allocations to social development. In 1988, the payment of interests represented approximately 18 percent of the product. In 1993, it is estimated that it will only amount to 3 percent. In addition to its favorable financial impact, this cutback has meant more resources for infrastructure in the fields of education, health, ecology, and low-income housing. For each peso we paid in interest in 1988, only 33 cents were directed to social expenses. Currently, for each peso we pay to service the debt, more than three pesos are allotted to cover the basic needs of our countrymen. In 1993, social expenses will represent 54 percent of the government's programmed expenses and 10 percent of the national product. Never before has such a proportion been allotted to this field. In the first five years of my administration, the expenditure on education has increased almost 90 percent; on health 79 percent; on ecology, urban development, and potable water 65 percent; all this in real terms.

To give institutional solidity to our advances and continue the commitment made by all the Mexicans to struggle against inflation, we furthered changes to Articles 28, 73, and 123 of the Constitution. The changes will give autonomy to the Bank of Mexico. The Bank of Mexico is given the priority of stabilizing the purchasing power of our currency. The reform stipulates that no authority will be able to demand that currency be printed to finance government programs. We designed a career employment system for the Central Bank that will strengthen its independence and professionalism. In the coming days, I will send this autonomy to be included in the initiative of the new law of the Bank of Mexico, in accordance to the new Constitutional dispositions. This important reform permanently commits the government to maintain the country in good financial health.

Starting this year, Mexicans will start to use the monetary unit that has temporarily been called the new peso. The new currency will contribute to a better expression of the real value of goods and services and will ease our transactions. A series of the new currency has already started to circulate in the country.

The improved stability in prices has been reflected in a constant decrease in the cost of money. The Cetes [Treasury Certificates] rate at 28 days is 13 percent; practically a third of the rate in October 1992. The lower interest rates are contributing to the gradual reactivation of our economy. The country's savings in the financial system have gone from 29 percent of the product in 1988 to 40 percent in 1990 and 46 percent in 1993. In August 1993, the financial saving registered an annual growth of 17 percent in real terms.

This has contributed to the Retirement Savings System that encourages workers savings. Up to this August, 11.4 million individual accounts had joined the system; their contributions rose to a little over 12 billion new pesos. In addition, through the national savings board, numerous branches will be established in areas where there is a large influx of people, mainly at Mexican Post Offices, so the population in general can have access to simple and safe savings mechanisms. The liberation of resources resulting from the public sector's payment of its debts allowed for the private sector internal financing to grow 225 percent in real terms between 1989 and 1992. Beginning in 1989, the financial sector underwent a deep reform. Operations were regulated, there was compliance with the legal framework, with reforms to laws on ownership in the banking sector, and with financial opening. From 1991 to 1993, the organization of 25 financial groups and of nine regional banks was authorized, overseeing at all times their seriousness and professionalism. To the extent that we progress toward a more efficient and competitive financial system, the current interest rates will go down to the benefit of credit customers.

The privatization of state-run companies that are not strategic or of top priority, is currently in its last stage. During my administration, 390 companies—that represents 63 percent of the existing ones—have been privatized. This has been done through public offers. Concession titles have been issued to protect consumers in the cases of natural [as heard] monopolies, and society has been constantly informed of the situation. At present, there are 209 state-run companies of which 50 are in the process of liquidation, termination, sale, merger, or transfer to state governments. Privatizations have immediately generated resources that, while reducing the internal debt, have permanently strengthened the government's capacity to meet urgent social needs. In this manner, we comply with the commitment of selling public property in order to solve social problems while strengthening the state and the nation.

From December 1990 to July 1993, the Contingency Fund received 55.7 billion new pesos from the privatization process. We paid the internal debt with these resources. We have taken advantage when the external debt secondary market has offered attractive discounts. As a result of these operations, the balance left in the Contingency Fund at the close of the first six months of this year amounted to 4.3 billion new pesos. This information has been provided in detail to this Congress in the corresponding quarterly reports.

The progress made in matters of stabilization and the intensification of the structural change have made our country attractive for foreign investments, both financial and direct. Foreign investments accumulated throughout my administration surpassed $34 billion, an amount that already exceeds by 40 percent the goal for the entire six-year term. From January to September 1993, foreign investments reached the equivalent of $8 billion, which is 18 percent more than during the same period in 1992, and they have financed 1,000 enterprises. In this manner, foreign investments have complemented our internal savings favoring competition and encouraging the use of modern and clean technologies.

In recent years there has been an increase in the current account deficit. This has been the result of the process of technological change that required importing medium capital goods and the strong flow of foreign investments. The manufactured exports were growing at a fast rate, but slower than the imports. As it was pointed out, this lack of coordination was the consequence of the process of maturing investments, of the time that elapses from the installation of new technology to the new export that results from these purchases.

Beginning in 1993 we started to observe a definite reversal of this process. At present, imports seem to be stabilizing, while exports—particularly manufactured goods—are picking up with renewed dynamism. In this manner, nonpetroleum exports increased in August by a 15-percent annual rate in spite of the weakness of international trade. Meanwhile, imports increased at a rate of only 6 percent. These figures confirm we are on the right path. The country's enterprises are responding positively to the challenge of the opening. If we persevere, Mexico will be able to have a commercial presence that continually increases in the international markets.

This reversal of the import and export trends allowed a trade balance deficit of approximately $9.3 billion as of August. This figure is 8-percent lower than the same period in 1992. Also, the capital surplus totalled $16.19 billion during the first half of 1993. This is a 35-percent increase over the first half of 1992. The favorable performance of our offshore accounts has allowed us to consolidate the Bank of Mexico foreign currency reserves. As of today, there are $23.017 billion. This strengthens our country's ability to face external contingencies and contributes to the success of our economic plan.

The country has progressed in increasing the efficiency of its microeconomy. The first deregulation efforts were in telecommunications, land transportation, and mariculture. We then had progress in the external sector, which now includes all productive activities. Legal reforms were made in the fields of public energy, ports, and customs brokerage during the last 12 months alone. These reforms promote private sector participation in these activities, which introduces healthy competition to the benefit of the consumers of such services. The new federal economic competition law and the appropriate commission sets forth standards to prevent and eliminate monopolies, penalize improper activities, and lift market entry barriers, all of which benefits the consumers.

In an attempt to increase business competitiveness, we have provided support for 250,000 micro, small, and medium companies, during the last five years. This was achieved mainly through the National Finance Bank, Inc. [Nafinsa] and through domestic and foreign commercial banks. We have also pressed forward on structural changes for the development funds. The total contribution made by Nafinsa to the private sector grew from under 10 percent in 1988 to 90 percent today. In 1993 it was established that the development funds must assess the risk factor related to their portfolio, just as the commercial banks do, and adhere to strict contingency reserves restrictions, to ensure their operations. Under this new system, the development banks will improve their loan assessment and follow-up methods and promote greater efficiency in the area of intermediary fund management.

The Boost Program [Programa Impulso] goal is to offer support for 500,000 small and medium businesses, by creating credit unions, consolidated firms, and private development entities. The program has also boosted the commercialization business, franchising, and training programs for small and medium business modernization. To meet this objective, the National Domestic Trade Bank and the Trade Development Fund will channel almost 15 billion new pesos between them into the market.

Our support for export activities has been consistent during the last five years. During that time, we granted 714 permits for high volume export corporations; we gave 1,393 companies approval for temporary import programs for reexporting; 110 new foreign trade companies were registered; and we implemented a new automated import-export licensing system. With the new foreign trade law we are strengthening the role of the exporting industry as a catalyst of the country's competitiveness. We continue to fight unfair competition by penalizing offenders when necessary. We want greater trade, but not necessarily that which will hurt our production levels or our market unjustly.

We have continued to work on improving our foreign trade relations. On 17 December 1992 my colleagues from the United States and Canada and I signed the North American Free Trade Agreement [NAFTA] and on 14 September 1993 we signed the Supplemental Agreements on ecology, labor, and safeguards. From the beginning of the negotiation process we made it clear that in implementing NAFTA, we would have to protect the environment and respect workers' benefits. This is why Mexico was interested in reaching agreements on these issues, under the basic premises of respect for each other's sovereignty, full compatibility with NAFTA, and that these supplemental agreements would not be used as covert means of protectionism. While meeting these premises, the agreements will increase cooperation levels between the three countries on those specific issues. NAFTA is especially important, because it expressly includes ecological and labor issues, through its supplemental agreements, while maintaining full respect for each other's sovereignty. Thus, it is a pioneer in international trade negotiations and will mark the way for future trends in the region and the world. It does not allow the creation of supranational laws or organizations, but promotes cooperation so that each country can apply its own laws within its own territory. [indistinct shouting]

[Araujo, interrupting] Allow me, Mr. President. Messrs. legislators, out of respect for this body and the other legislators, we are appealing for courtesy. Please maintain order in the hall. Interpellation is inappropriate, and I do not authorize it. Please continue, Mr. President. [applause]

[Salinas] Traditional trade sanctions are not permitted, because this prevents unilateral reactions, and restrictions applied by one party are automatically lifted when the other party complies. Progress and success achieved by way of these long and difficult negotiations are credited to the invaluable work conducted by countless groups of government officials; labor union, rural, and business representatives; and experts on various topics. Considering that they showed the highest commitment toward Mexico throughout the negotiations, I want to state my deepest recognition to all of them. [applause]

The ratification of the treaty and parallel accords now depends on the Legislative Branch. It is appropriate to remember that its benefits will not occur on a short-time basis, nor will they produce spectacular results. I reassert: With or without treaty, the evolution of our economy will not be substantially altered in the short term. Because the treaty is important, it would be added to the instruments we have already established so that the economy grows with stability. Free trade treaties are instruments that give the economies the certainty of permanent rules which encourage investment, job creation, and higher production levels. They key to our development is not outside the country, only in the internal efforts, savings, productivity, and quality. Therein lies the importance of trade accords. [applause].

They provide a referential framework more specific to domestic performance, which will allow us to improve competitiveness domestically as well as internationally. This is why we have intensified contacts and commercial negotiations with other countries and regions. Next year, if the Senate of the Republic approves the inititiave, a free trade agreement will be implemented between Venezuela and Colombia similar to the one we already have with Chile. Our objective is to incorporate the Central American countries into this plan. In addition, during my administration, we have concluded negotiations with fifteen European, Asian, and America countries aimed at preventing double taxation. Without any doubt, this significantly clears the path to economic integration.

The energy sector is fundamental to development because of this sector's strategic importance to the economy, as well as its historical significance to all Mexicans. In this respect, state control of petroleum products and the sufficient supply of energy has been my administration's priority guideline. By decentralizing Pemex's [Mexican Petroleum] duties and responsibilities, a more efficient petroleum industry is envisioned. We have given priority to the exploration of those areas with greater potential. At the end of 1992, with the discovery of new deposits that surpassed existing ones, proven petroleum reserves totalled 65 million barrels, placing Mexico in sixth place worldwide. Therefore, as I stated in my fourth government report, the trend of declining petroleum reserves, which had been observed year after year for nearly 10 years, has finally been reversed.

In 1993, national crude oil production levels averaged 2.7 million barrels daily—a production level comparable to the level registered in 1992. Even if, up until the month of August, overall Mexican exports recorded an average price of $13.80 per barrel—44-cents less than what was forecast—the situation was mitigated by applying earlier-contracted oil insurance. Scarcely 15 months after having been promulgated, Pemex's four subsidiaries and corporate bodies are already operating normally. Obstacles resulting from changes in complex corporate management structures which had been used for 50 years have been overcome. Normalcy in production and supply has been ensured, both of whcih are essential for the normal operation of the economy. Productivity, competitiveness, honesty, environmental protection, safeguarding sovereignty—these are the criteria guiding Pemex's performance during this new stage of its development in the service of Mexico. In December 1992, this honorable Congress decided to approve reforms in legislation governing public energy service in order to encourage the expansion of the electric power sector. These legislative guidelines were finally issued in May 1993, allowing the reliable participation of the private sector. Electricity produced by private companies will be sold exclusively to the Federal Electrical Commission, which is the only agency authorized to provide this public service.

The recently created Energy Regulating Commission [Comision Reguladora de Energia] will be in charge of supervising these operations. During the January-October period, gross electricity production increased by 3.2 percent with respect to the same period last year. Mexico's electrical power sector occupies second place in Latin America, and its installed capability is nearly 29,000 megawatts. During the past five years, 20 percent more was incorporated than the output capacity generated by the Federal Electrical Commission in its entire history. Currently, this industry provides service to nearly 180 million Mexicans which represents more than 90 percent of the population. Of this total, more than 15 million Mexicans have received service during the past five years.

The variety and availability of minerals found in Mexico has placed the country among the top 11 out of 19 countries as relates to world production. This important industry has confronted the challenges posed by falling international prices, especially silver. Today, mining has a new legal framework which allows a more efficient use of this resource. The new regulation confers feasibility to long-term projects, encourages private participation, simplifies paperwork, promotes the development of small and medium-sized mining companies, and provides a rational quality to the concession procedures. Thus, in the past five years, more than 11 million hectares suitable for mining have been released, and the surface granted doubled in passing from nearly 3 million to 6 million hectares. Likewise, credits amounting to 870 million new pesos were awarded for exploration and mining, personnel training, and a system of partial guarantees through the social mining support program.

Year by year, the country's communication and transportation systems become quantitatively and qualitatively better. Our highways are used mostly by most Mexicans, transporting our national products, and also the hopes of those communities waiting to prosper. At the beginning of my administration, the highway network was emerging from years of falling public investments, delays in periodic maintenance, and crowding that only resulted in deteriorating and increase costs. During my visits to the various state, roads and highways were always among the population's most pressing demands. The reply has been a large-scale road modernization program. The construction of 735 km of new federal roads, the widening of 1,300 km, and the reconstruction of 10,000 km more has recently taken place along the main road network. With the recent sale of this sector's assets, we have implemented a special roads maintenance program which will be intensified in the coming months.

With respect to highways, I recently inaugurated some very impressive highway projects such as El Sol-Acapulco, Merida-Cancun, Guadalajara-La Barca, Guadalajara-Lagos de Moreno highways. These are impressive projects not merely because of their extent and beauty, but also because of their economic and regional integration significant. These new highways add to the 60 four-lane highways built throughout the country. I allow myself to inform this sovereign Congress that with the new super highways inaugurated during the past days, we have reached the goal set for the entire six-year period. These represent 4,000 km of highways set as a quota that were constructed during the past year. Four times more than what was constructed in the past 25 years. I reiterate that once the concession period to private sector has ended these projects will revert as state property. [applause]

We acknowledge the significant technological and administrative effort that has taken place within the Mexican National Railroads. Likewise, we also acknowledge the modern marketing system aimed at modernizing the system. There is still much work to be done in order to increase service efficiency and competitiveness. Nevertheless, at present, the railroad system is attracting more and more freight volume in addition to representing more savings to companies and the state alike.

We have concluded that the first phase of port infrastructure modernization. Currently, there are four ports that already have the capacity to operate at an international level of productivity. Administrative decentralization is encouraged through the new port legislation, and private initiative and the social sector are encouraged to participate in operation aspects as well the infrastructure development.

Our airport network operates adequately as a result of the growth in passenger and air movement by 61 and 42 percent respectively during the past five years. Active airports such as Mexico City, Cancun, and Guadalajara are subject to special attention. As a result of this and the participation of private investors, the needs of air travel users are being met. I want to reiterate that as relates to matters of safety, customs, and immigration controls, the state maintains full control of all airports. During the past year we have taken significant steps in the development of new and modern telecommunications systems, in addition to increasing coverage within the national territory.

The Mexican Postal Service has successfully met the challenge this year of becoming self-sufficient by paying for its operation and investment expenditures with its own resources.

For the fifth consecutive year, we have carried out major transformations in the tourism sector. The availability of accommodations has increased in the past 12 months by approximately 10,000 new rooms, making a total of over 53,000 additional rooms since 1989 to date. The 31 states of the federation have joined the program to decentralize functions in line with the new federal tourism law. The foreign exchange generated by tourism has increased an average of 11 percent a year from 1988 to 1992. In the first half of 1993, the growth rate was 2.2 percent, reflecting the international recession.

This year, the number of national tourists is expected to increase to 39 million, meaning a 2-percent increase compared to last year. In the January to June period, the number of foreign tourists was over 3.3 million, almost an additional 3 percent compared to the same period in 1992, and revenues totaled over $2 billion.

Our policy on fisheries has been primarily aimed at promoting the participation of productive networks in the strict enforcement of out of season fishing to avoid the disappearance of species and promote the development of fish farming. The balance of fishing commerce has remained favorable. It is worthwhile noting the outstanding vitality that shrimp production in fish farms in experiencing. Whereas five years ago production was only 551 tons, it will be over 10,000 tons this year. With the new fisheries law, social sector organizations have been the first to benefit from the concession system, thus giving stability to those who have shown efficiency and productivity. In addition, we have restructured the debt of the Pacific coast cooperative societies that are profitable, and the process began with those operating in the Gulf of Mexico.

We face one of the country's major challenges in the rural areas, where social stagnation and economic recession, public institutions that no longer served their purpose, bureaucratic practices that peasants rejected, legal restrictions that no longer protected but restrained the ejido and joint owners, leaving them helpless and most of all poor, merged. In addition, the international context for over two decades reduced the price of basic agricultural products. In view of all of this, simple, willful, or immediate solutions do not exist in the rural areas. One out of every four Mexicans lives and works in rural areas. Their production, however, represents less than 8 percent the national product. The gap is very wide and it is called poverty. The majority of Mexicans who are less protected can be found in rural areas. They, more than anyone else, were demanding changes with their daily actions. They demanded, in a silent and yet clear and simple fashion, profound changes with a course that was defined from the bottom. The course was the one they were tracing, namely, freedom, equality, and respect. As a society and government, we acquired the commitment to transform the rural areas, headed by the peasants themselves. That is why it is a peasant reform. The first task was to change the state instruments for rural areas that no longer served their purpose of promoting production and justice.

That way, Banrural [National Rural Credit Bank] underwent a profound restructuring, Anagsa [National Agricultural and Livestock Insurance Company] disappeared, and clear mechanisms were created with Agrosemex [expansion unknown]. Only two out of 12 products maintained the guaranteed prices, and Acerca [not further specified] was established to allow a consensus on marketing prices for the rest. The system to provide financing in rural areas has been strengthened and resources have increased. In 1993, the total financing comes to 37 billion new pesos, 27-percent higher than in 1992, and 74 percent of this amount comes from the development banks.

Toward that goal, we conducted an extraordinary effort to settle the Banrural due accounts. We transferred the accounts of over 400,000 farmers to a trusteeship created for that purpose, and 500,000 other accounts were transferred to the National Solidarity Program.

Financing for ejidatarios [land tenure holders] in turn became more feasible. The remainder are being negotiated by rural organizations and Banrural [National Rural Credit Bank]. We are facing a problem with overdue loans, but their origin and magnitude are not the same. We are talking about loans between private banks and private farmers. We are talking about 5,000 people out of 650,000 with credit. We are allocating 1 billion additional pesos to refinance their loans, but most of the indebted farmers in similar conditions did pay off their loans. Credit is not lacking in the countryside today, but capital is.

Once changes were made to the rural institutions, we began making legal reforms in the countryside. Article 27 of the Constitution and its laws having to do with property and the efficient use of land, water, and forests incorporate the experience, demands, and aspirations of peasants. It protects ejidatarios and comuneros [people who live and farm on communal lands] by expanding and not restricting their freedoms. It respects their rights and decisions on land use in an effort to overcome the shortcomings faced by small landowners. It is a reform of freedom linked to the democratic system practiced at the ejido [land tenure] assemblies. It is a reform of justice, because it recognizes peasants as the ones who have a major part to play in change and because it answers their demands. It gives them assurances on the possession of lands and puts an end to promises of distribution, which are no longer possible, as well as to the invasion of lands, which is punished by law.

New institutions for the countryside were born from the legal reforms—namely, the Agrarian Attorney General's Office and courts, which are fully operational. Two programs of great importance and complexity also emerged. One is being used to overcome our backwardness in the agricultural sector, which has already been implemented in 19 states of the Republic. The other will be used to confirm the individual and collective rights of ejidatarios and comuneros. One-fourth of all ejidos are already registered in the program as determined by the assemblies. Their rights are currently in the process of being certified. This year we are going to issue nearly 240,000 land plot certificates and rights over communal lands. This program, which is called Procede, is unprecedented in the world. We are going to consolidate it with the work and commitment of the ejidatarios.

In early October 1993, we implemented the Procampo program, which is an new rural program to provide direct support. It will gradually replace the subsidies that are granted through the adoption of guarantee prices. Direct support per hectare will be given. We are, thereby, solving rural production problems at a grass-roots level. More than 2 million peasants, who are only able to produce for their own consumption and do not generate a surplus that can be sold at guarantee prices, thereby losing subsidy benefits, will now, for the first time, receive the direct support of the government for their production efforts. It is a form of encouragement, an opportunity, and an act of justice. [applause]

Internal prices will be adjusted to their international equivalent, which means direct benefits for consumers and producers. [indistinct shouting]

[Araujo] Excuse me, Mr. President. Legislators: I remind you that you have the right to review and discuss the president's address in subsequent sessions in your respective chambers, as is specifically outlined in the basic rules of the Congress. Interpellation will not be accepted at this time. This Presidency does not authorize it. Please continue, Mr. President. [applause]

[Salinas] Our producers will receive direct support equivalent to the subsidies received by outside competitors. Peasants have told me about their willingness to compete, but under the same conditions. They will be able to do it with Procampo. The program will guarantee direct support for a period of 15 years and, consequently, it should promote technical advancement and changes to the means of production.

To avoid drastic fluctuations, we established a transition period. It will involve the spending of more than 11.7 billion new pesos in 1994, which is 80 percent more than this year. A total of 3.3 million peasants and farmers, who work 70 percent of all agricultural lands in the country, will benefit. The spirit of freedom and justice in the reforms to Article 27 becomes a concrete expression of progress for peasants with Procampo, with the granting of land plots, and the conclusion of the Rezago [as heard—expansion unknown]. [applause]

Progress made in the area of agricultural infrastructure will allow us to incorporate nearly 145,000 hectares through the use of irrigation and another 250,000 hectares through the use of seasonal equipment within five years.

In addition, 519,000 hectares were also rehabilitated in order to transfer their use to the agricultural workers. In 1993, we continued transferring to producers the administration and management of the infrastructure of the land irrigation districts in 714,000 hectares, which—added to those delivered in the 1989-92 period—give a total of 2.2 million hectares, a surface nearly 16-percent greater than the goal for the six-year term.

In the last five years, we completed 24 dams that double the storage capacity with respect to the those built in the previous five years. With regard to irrigated surface, Mexico is in seventh place in the world and in first place in Latin America with an overall total of 6 million irrigated hectares. The law on natural waters that went into effect in December 1992 reiterates the control of the nation over this resource. The law consolidates the basin councils for coordination between users and authorities, and it promotes the participation of society in the construction and maintenance of projects.

In all the changes we have made in the field, we have proceeded in a clear and firm manner, without haste, and with the consensus of the rural producers and their organizations. These have been carried out not only maintaining the traditional volumes of production, but also increasing basic products. In 1993, the production of the 10 main crops increased by 7 percent compared to 1992. In corn, we maintain the self-sufficiency reached a few years ago and we have passed from producing 11 million tons in 1989 to producing nearly 18 million tons this year. In beans, we have moved from 600,000 tons in 1989 to 1.1 million tons in 1993.

I reiterate: The corn and beans that Mexicans eat—an essential part of our diet—are produced now exclusively by Mexican farmers. [applause and indistinct shouting]

With regard to livestock, the production of beef will surpass 1.2 million tons while egg and milk production continue to increase. Investments and public expenses as well as the presence of the pertinent institutions have not been interrupted but rather strengthened. In 1993, the expenditure and investment of over 11.8 billion new pesos into the agricultural sector is more than 9 percent higher than that of last year and six times higher than in 1989. In addition, and in order to promote the productive investment and association, the National Financing Institute created a new Rural Sector Investment and Capitalization Fund with an initial capital of 200 million new pesos, and this has been duplicated today. This will be the instrument for improving the promotion of agricultural industries, the productive option of employment for the new farmers. The Guarantee and Development Fund for Agriculture and Aviculture is channeling 12 billion new pesos for granting guarantees on credits.

Likewise, we have reduced the increase in electricity rates in areas where land irrigation is done by pumping, which represents an additional support of 90 million new pesos. In the last pact, we froze it and proceeded to support the users having problems. In reply to the demands by the farmers, as of March 1993, we lifted the tax on the products that were most important for the agricultural sector. We closed a cycle in the reconstruction of the field. The legal and institutional reform, and the system of titles and support are its new basis. With regard to this, we have overcome inactivity, we halted the trend toward deterioration, and we resumed the course of recovery and justice. The farmers do not want more lies, false promises, or partial solutions that will turn the momentary solutions into disappointment. I offered them respect and clarity. That is why we admit that the immediate problems have not been solved, that the changes require consolidation, and that the terms of maturity have not concluded.

Nevertheless, there is now a new relationship between the state and peasants and rural producers. There is a vision for the future. Strengthening the determination of the peasants, we are building with actions a new phase of hope and vitality in the Mexican countryside.

Social development is an imminent objective of public action. It is the reason that explains and justifies what we do in the economic sector and foreign policy. During the past five years, we have increased social expenditures nearly 85 percent in real terms. As I have pointed out, today social expenditures represent more than half of the federal budget, while five years ago they represented only one-third of public expenditures.

There is harmony between public needs and the values we maintain. Our social policy is committed to a new way of doing things—to encouraging the people's democratic participation in forming and implmenting policies and, above all else, in calling for solidarity among Mexicans.

Without a doubt, in these past years, economic stability, deregulation, and privatization have brought about the creation of large financial and business groups. This fact must be placed in its proper perspective. If in Mexico we did not have large groups, it would be difficult for us to meet the challenges of globalization and increased competitiveness, and we would be left out of international markets. This would mean less exports and, in turn, fewer jobs in industries and services which are involved in exports, as well as in small and medium-sized businesses that supply those industries and services.

In our domestic markets, we also face intensified competition from large enterprises from foreign nations. To compete with these firms, we need large Mexican business groups. At the same time, we must recognize that there are areas of production that require high investments in research and training, which only large-scale national, regional, and even worldwide enterprises can generate. This is why we promote the creation of large business groups and their integration into the chain of production in Mexico, which will stimulate the creation of more jobs.

On occasion, it has been said that large enterprises are synonymous with monopolies and that large groups are synonymous with a centralization of income. This might have been true in the past when Mexico had a closed economy and only the reduction in the size of an enterprise could ensure that it would not have excessive power in the market. Nevertheless, circumstances have changed radically. Today, the opening of our market and the new federal law on competition guarantee that large business groups cannot employ monopolistic practices.

There also is no universally valid correlation between large groups and the concentration of income. There are countries with large economic groups and an equitable distribution of income, and there are countries with small enterprises and large inequities. So much depends on the general atmosphere and the policies that are adopted.

In our Mexico, with the measures to lower inflation and promote jobs and support for small and medium-sized enterprises, with profound educational changes in progress, and with the Solidarity Program, the process of concentration of income that the crisis had provoked has been halted. Inflation was the great concentrator of wealth, and inflation resulted from the state's fiscal and financial disorder. The policies of stabilization and restructuring halted, rather than encouraged, the concentration of income. This is proven by facts.

During the crisis, a concentration in the distribution of total income was observed. This is why the commonly accepted Gini index, which is used to measure this phenomenon, deteriorated from nearly 0.43 to 0.47. From 1989 to 1992, we generally halted this phenomenon. That is why the index has remained unchanged. In addition, in both urban and rural areas, a reversion of this concentration, as measured by their respective indexes, has begun. Likewise, the participation of the workers' salaries in the output, which had decreased in a sustained manner since the beginning of 1980 to 1990, registered consecutive increases during 1991 and 1992. [indistinct shouting] This means that we have halted that unjust process and that a new trend toward a more equitable distribution of income has begun.

The recovery of economic growth to rates higher than those of the growth of the population translates into an 11 percent increase in average per capita income between 1988 and 1992. Along with a social policy directed at disadvantaged groups, this entails advances against extreme poverty. The INEGI [National Institute of Geography, Statistics, and Data Processing] and the UN Economic Commission for Latin America, ECLA, have undertaken detailed studies that have measured the evolution of poverty in Mexico. The general results confirm that our country has regions and communities suffering from a clearly unacceptable grave ancestral poverty. Nevertheless, recent trends are positive. From 1989 to 1992, the population living in extreme poverty—that is, those people with incomes lower than the price of a basic food basket—dropped from 18.8 percent to 16 percent of the total; in other words, from nearly 15 million to 3.5 million people [figures as heard]. This is encouraging, but it is not enough. We have to redouble our efforts in the fight against poverty. [applause]

The available studies that must continue to be expanded indicate that the reduction of the inflation rate, economic recovery [indistinct shouting], community solidarity, and the policy of social expenditures have allowed a significant number of Mexicans to overcome the condition of extreme poverty, despite the still high demographic growth in the poorest regions. These results are encouraging, but, I repeat, the existence of poverty in the country is not acceptable. There is no self-deception of any kind on this matter. We are based on the facts, we work on them, and, thanks to the effort of everyone, hope exists today.

The trend toward impoverishment has changed to one of encouragement based on the facts. The change policy we have built together has promoted social mobility, an unequivocal signal of the goals of justice of the Mexican revolution. If there is less poverty in Mexico, it is because all of us have joined efforts to achieve it all these years. If we continue to follow along that same line, we will be able to overcome the major challenges that are still present.

Employment constitutes a privileged means to decrease poverty permanently and raise welfare. Hence, the importance of and need for economic growth. Up to June 1993, the number of employees who are permanently insured by the Mexican Social Security Institute [IMSS] rose to 8.782 million persons, or 26 percent more than at the start of my administration. We have strengthened the national employment service. In that last five-year period, it directed over 1 million persons to different jobs and granted approximately 260,000 training scholarships to unemployed workers.

In 1993, employment has risen more slowly than in the previous years. The unemployment rate in the country's 36 major metropolitan areas was 3.4 percent during the first half of this year. Although this is a temporary situation, since it is largely the result of the productive restructuring, the new Stability, Competitiveness, and Employment Pact [PECE] seeks to encourage the creation of more jobs by strengthening the internal market. [indistinct shouting] Although starting from levels that were depressed by the crisis, we have been succeeding year after year of my administration in recovering the workers' real wages in industry and services.

From 1982 to 1992, the premium paid to the IMSS [Mexican Social Security Institute] for the average salary rose almost 14 percent in real terms. In the first half of 1993, it registered an annual real growth of 3.2 percent. Real average wages in the manufacturing industry rose an average of 6.6 percent a year from 1988 to 1992 and a real 6.3 percent during the first half of 1993 compared to the same period last year. On 1 May of 1993, I pledged to tie the minimum wage to an increase in job productivity in our economy. This was ratified in the latest PECE. We are determined to favor a real recovery of minimum wages. In addition, with the proposed tax reduction, minimum wages will recover in 1994 what they lost in the past three years.

The commitment made in PECE serves to promote growth in the minimum and contract wages in the workers' real income. We have worked sector by sector to raise productivity. Within the framework of the PECE Follow-Up and Assessment Commission, which now functions as a true council of economic consensus, studies and agreements are submitted each week among authorities, companies, workers, and farmers to provide specific solutions. To date, 11 programs have been carried out in an equal number of sectors, and another 34 programs will begin soon. By the same token, tripartite evaluations of productivity and competitiveness have been made in over 80,000 companies of 37 economic areas with approximately 5.5 million workers.

In 80 percent of the country's largest companies, productivity systems have been adopted, and approximately 5 million people have been helped through the training programs. In times of globalization and competitiveness, this is the path to ensure that employment and improved real wages will be maintained, as our country's workers demand and no doubt deserve. In the past five years, 2.2 percent of strike calls led to a strike, and until August of this year, only 9.9 percent of the more than 6,200 strike calls that have been reported actually led to this final recourse. In the labor field, we have reinforced our watch on security and health, with special stress placed on evaluating environmental conditions through over 50,000 inspections and 13,000 joint commissions.

Big labor organizations are the natural counterpart of big business groups that in an economic opening mean the capacity to compete in and out of our market. Big business groups are inevitable. Big unions are indispensable.

Union struggles have been essential in the country's modern history, and in the 1917 Constituent Assembly debates the country admitted they were not alien or destructive. The workers have not and can not stop struggling individually and collectively through their unions as the most efficient way to further their rights in a unified manner. Thus, while in other countries unions are weakened and unionism is reduced, in Mexico we readily admit the unions' value as important associations in civilian society and ones that benefit the country's economy and life. For this reason, as we advance in the opening of markets and freedom of trade, we are also firmly committed to the strengthening of industrial democracy, meaning free and direct negotiations between unions and management in favor of social justice. In current times, there is less state regulation and paternalism and more management freedom and responsibility. Thus, it is fair that we also have less government protection and more union freedom and responsibility.

Since the start of my administration, I promised to take government reform to the field of national education and to give it the highest priority. Thus, the real federal education expenses in the past five years have increased almost 90 percent. Public and private education expenses have increased from 3 percent of the product in 1988 to 5.7 percent in 1993—the highest level in this century.

The educational reform is structural. Our main objective is to educate our children to be Mexicans and to be proud of it. That is why it has required that we modernize the legal framework. [Word indistinct] sovereignty, promoted an initiative to reform Articles 3 and 31 of the Constitution. Those articles stipulate that citizens have a right to receive education and that the government is obliged to provide it and will be extended to include compulsory high school education, to ensure the national character of basic education, and to end the lack of legal definition that has negatively affected teachers.

In the corresponding new General Education Law, the federalization of education is clearly specified and it also stipulates that the government has to give special attention in the field of education to the more backward regions and groups in the country. Article 3 maintains its historic postulates: Public education is and will continue to be laical, free, and compulsory in grade and high school. [applause]

Society and Government. We have a special responsibility toward our children and youths in basic, pre-school, grade, and high school. Almost 85 percent of our children are enrolled in those centers and historically they are the main factors in the furtherance of individual improvement and national integration. For this reason, we decided to implement a thorough reform with realistic objectives, clear goals, and fixed deadlines. The decision required that we end with centralism. Thus, with the state governments' resolve and the teachers' and their union's reasoned promise, we carried out the biggest and most complex process of federalization in Mexico's history, preserving the national character of our education. The Federal Government transferred to state governments almost 100,000 schools, with its 13.5 million students and the human and financial resources to attend them. Now, all the basic education schools are directly operated by the authorities of each state in our federation.

The reform also required that we resolve the outdated and limited academic contents and education material, which had practically not been changed in the past 20 years. Thanks to the generous and decided participation of the Mexican teacher, we completely reformed the study plans and academic programs, which has already started to be implemented this academic year. Our children and youths have also received free textbooks for the first time this year.

As we promised, the thorough renewal of this fundamental instrument, which is the Mexican education system, will end in 1994. The reform requires that we review the teachers' educational and social functions. Thus, during my administration, the teachers' wages have accumulated a real increase of more than 70 percent. The lowest teaching position wage increased from 1.5 to almost 3.5 minimum wages and the average wage is above four. We started a novel program, the Teachers Career System, wherein teachers are promoted not only for their time in service but also based on their training and teaching ability. In its first year, the program will mean important and immediate benefits to 450,000 teachers.

We have placed a renewed emphasis on science and technology. The budget assigned to those activities has increased almost 70 percent in real terms from 1989 to the present.

We have completely reorganized this national system. We have used more than 300 million new pesos per year, for the past two years, to fund more than 1,500 research and supply programs nationwide. During 1993, the National Committee of Science and Technology [Conacyt] granted 8,500 post graduate scholarships to young Mexicans registered at the best universities in the country and in the world. This number has never before been equaled. The committee implemented a technological modernization policy directed at an open economy. In 18 months of operations, the new Conacyt programs have channeled 170 million new pesos to mostly small- and medium-sized businesses. The Federal Government assigned 10.4 billion new pesos for higher education centers. This amount is almost 46-percent greater than the allotment in 1988. I reaffirm my highest respect for university autonomy. Those institutions that enjoy this constitutional right will make progress within their own transformation process, in accordance with their bylaws, and the decisions reached by their respective communities. In addition to the increased subsidies, we will encourage their progress toward excellence.

During the past year, an extensive reform effort went into effect at the nation's technological institutions, including redefinition of careers and study plans, improvement of equipment and infrastructure, and improved relations with the production sector. We have opened three new technological universities. This academic system has proven its benefits by offering its graduates immediate job opportunities. This is why this innovative program will receive continued and strong support. Extensive reform has also begun at all those institutions offering job training in areas that can contribute to raising the country's competitive level. We have redefined our adult education program goals to try and reduce illiteracy by one-third before the end of 1993 and to increase the average education level of those adults who were unable to complete their education.

Culture is a very important issue for the nation. We have made great progress in strengthening it within our borders and in other countries, particularly in Latin America. We still have plenty of work, however, to provide Mexicans with greater access to its benefits. We are fulfilling our commitment to provide more resources for independent cultural creativity, archaeological heritage protection, cultural dissemination, and especially for the national art schools. In recognition of those artists who have made significant contributions to the enrichment of Mexican culture and to encourage them to carry on, we established the National Fund for Artistic Creators [Sistema Nacional de Creadores de Arte] in September, with an initial amount of 25 million new pesos. In addition, 24 state funds were created this year to support culture and the arts. Two more programs were added to the 12 ongoing archaeological projects: (Calacmul), in Campeche, and Tonila in Chiapas. The archaeological findings and the ongoing conservation efforts are of the highest importance for conserving our cultural heritage. We have started the overall reshaping of the professional artistic education system, whose main event will be the creation of the National Center for the Arts [Centro Nacional de las Artes]. This is the first step toward the creation of a national artistic educational system, which will have schools in several places around the country. Channel 22 television began broadcasting last June, in response to a demand by members of the artistic and intellectual community. The increase in the annual number of libraries we have opened nationwide is also noteworthy. In 1989 we were opening 100 libraries per year and this year we have opened 590. This means we will end 1994 with a network of 5,000 libraries all over the country. We are determined to promote the reading habit among more and more members of the community. Reading means knowledge, entertainment, memory training, broader horizons, and increased ability to understand and change one's environment. It is the true instrument of freedom. By promoting reading we will effectively strengthen our actions.

The National Sports Commission has been working to benefit the youngsters and children in our school system. There are 4.5 million students participating in sports competitions and meetings throughout the school year. We have delivered almost 630 new sports installations across the country. Specialists have detected 7,000 talented young athletes with outstanding abilities.

We have worked hard with the institutions responsible for providing medical services, social security, and health care services in order for them to offer more services and improved attention to the people, particularly the more needy. To allow this, we have built new facilities and upgraded the existing ones. We have hired more than 13,000 doctors and about 22,000 nurses. The national health system coordination network was improved. The national family planning program is promoting a more moderate population growth, with encouraging results. The birth rate dropped from 3.5 children per productive woman to 2.9. The population growth rate has dropped from 2.1 percent to less than 1.9 percent per year in 1993. Since 1989, 88 new general and special hospitals have been put into operation, along with more than 2,300 first aid clinics.

In the past year, we opened 12 general hospitals and 215 first aid clinics. This means that during my administration we inaugurated a new hospital every three weeks and a first aid clinic every day during my five years in government. Following the expansion and refurbishment of the 20 de Noviembre Regional Hospital in Liste, it has become a high specialty hospital center, which will have the most modern medical equipment.

Last year, I reported that the vaccine program was able to inoculate 95 percent of the Mexican children under the age of five with all vaccinations. To maintain the high coverage levels attained, we applied more than 88 million doses in 1993. During National Health Week, last October, a total of 22 million children received the measles vaccine. Some 8 million children received treatment against parasites, and vitamins were given to 1 million children under the age of five, which is a very important step for their physical development. Since October 1990, we have not had a single case of poliomyelitis. We will shortly obtain international recognition for the eradication of this disease.

The last case of diphtheria was recorded in 1991. Measles and whooping cough are showing significant reductions of 80 and 75 percent, respectively, when compared to 1988 levels. I reiterate that these results are unprecedented in Mexico's public health history. We also have been able to make progress in the achievement of the goals set for the year 2000 at the World Children's Summit. All of this is the result of the work and coverage achieved by our health institutions, as well as by the great sense of responsibility shown by Mexican families.

AIDS has become one of the primary causes of death among the male population between the ages of 25 and 34. It is necessary to insist that there is no vaccine against AIDS or treatment to cure it. He who contracts AIDS is condemned to death. This dramatic fact forces us to intensify even more our education campaigns, the dissemination of messages, and the verification of blood banks to prevent it from spreading. I reiterate we are going to double our prevention campaigns.

In 1993, less than 8,000 cases of malaria were reported as compared to the more than 16,000 cases the previous year. No deaths for this cause have been reported. The new National Council for the Prevention and Control of Diarrhea conducted educational campaigns in the media, a total of 40 million oral rehydration doses were distributed, and efforts in the clean water program were intensified. Some 94 percent of drinking water was chlorinated. In addition, a total of 150,000 health facilities were built.

All of these actions have helped reduce the rate of mortality from diarrhea in children under the age of five by more than 30 percent since 1990. We have been able to get cholera under control, even though we still have to periodically treat isolated outbreaks.

Social Security is an integral part of the individual's well being. In 1993, the IMSS expanded its services and is providing these services in a more efficient manner. By the end of this year, the major institutes in charge of providing IMSS services will be serving more than 47 million people. The recent reforms made to the Social Security Law helped strengthen the institute's finances and promote its modernization with a special focus on productivity. The IMSS is a great public institution in our fatherland. That is why, I reiterate, it will not be privatized. It will not be reduced or limited but strengthened so it can continue to be the pride of the Mexican people. [applause]

As for pensions and assistance to retired workers, we have made an effort to increase them as established by law. Starting in 1992, all pensions were increased by 7 percent, while the multiple Social Security benefits bond also was increased by the same percentage. In 1988, the minimum pension granted by the IMSS was the equivalent of 35 percent of the minimum wage in the Federal District. It currently is the equivalent of 90 percent. I recognize the situation of our pensioners, for whom no proper measures were taken for their retirement throughout their lives. This is why we have taken complementary actions to support them in addition to increasing their pensions.

During the past five years, the National Family Development System distributed nearly 624 million food rations in our schools, an average of 500,000 per day. In 1993, a total of 139 million food rations were distributed.

Family support actions have also been conducted in poor communities with special attention to children, youths, old people, and handicapped persons. We continue to strengthen the social supply programs of staples by assigning effective subsidies to help the people who need it most. The social supply program of milk by Conasupo [National Company for Basic Commodities] covers nearly 62 percent of all municipalities for the direct benefit of nearly 7 million children under 12 years of age. Through the [word indistinct] system, nearly 30 million Mexicans received their staples this year, and this represented more than 15 percent in the purchase of their staples.

The reorganization of urban development has been a central task of the social policy. It was necessary to meet the demand of services, while preventing the effects of disorderly growth. This is a true urban reform. For this, the new general law on settlements establishes a strategic vision for ordering and regulating population centers throughout the length of the national territory, creating a precise atmosphere for the actions of the government and society in infrastructure, and promoting conditions so that more medium urban zones will be poles of attraction and well being and not of crowded conditions and shortages.

This concept led to the 100 Cities Program. In order to revert urban concentration and reorganize the new internal migratory flows toward more attractive medium-sized cities, we are conducting highway infrastructure projects, providing basic services and sanitary landfills, and modernizing land surveys in those cities. Within this same framework, in 1993 we have invested over 17 million new pesos—23 percent more than last year—in 17 municipalities in the northern border area of the country. The potable water and sewage services are increasing in rates higher than the growth of the population. The Mexico City receives 1 more cubic meter of potable water per second and Monterey receives 1.2 additional. [sentence as heard] The El Salto Dam has been completed in Guadalajara.

At present, 75 million Mexicans have potable water and 60 million have sewage works. That represents 85 percent and nearly 70 percent, respectively, of the total population. In 50 months, we have delivered potable water to 13.5 million fellow countrymen who did not have any.

The state has renewed its commitment to increase the offer of dignified and adequate housing. During the last five years, financing for housing has increased by 400 percent and nearly 1 million additional housing units have been built. In 1993, we have already reached before the end of the year the record goal of building 320,000 new housing units. Let us bear in mind that at the beginning of this administration, a little over 100,000 housing units were being built per year. Tripling this amount is a means to generate employment and satisfy one of the most important social demands. In order to reach this goal we are channeling investments in the amount of over 32 million new pesos, an unprecedented figure that is equivalent to nearly 3 percent of the product.

In Mexico City there has been a clear concept and a constant effort that is yielding results. Public finances have been stabilized and a high growth in public investments has been maintained, thus increasing the expenses of solidarity in order to carry out one of the most ambitious programs of public works and thus improve the infrastructure and services. Despite the security problems that persist, crime rates have been reduced and a new law establishes the foundation of a professional police. Progress has been made in the main problems of air contamination. There is a definite reduction in contamination by lead and sulfur bioxide, and the overall program is yielding results.

We have managed to control most of the open air garbage dumps in the Valley of Mexico. In the last five years, the increase in water consumption has been halted and this will prevent excessive extraction from the water supply in the urban area, thus protecting the water of future generations and the security of buildings in the city in the event of earthquakes. One by one, the large projects are being completed: the recovery of Xochimilco, the protection of (?Ayotusco), the reevaluation of the historical sites, the urban development for generating clean services and employment, the new cultural and recreational installations such as the National Auditorium and soon the (Papaloti) Museum, and the new zoo in Chapultepec.

Then there are the metropolitan works, the bridges, the overpasses, the deep sewer drains, the [words indistinct], services in populated neighborhoods, regulations on urban tenure. Then there are the medium term reforestation programs, and the application of new social policies for health and social assistance. We will meet the goals of 32,000 new housing units in the city. Just as important as the projects are, is the fact we have recovered the pride that the residents of Mexico City and the rest of the country feel for this city and its future, and for the recovery of its symbols and its memories.

The reaction by street vendors to the program to improve low-income commerce in the historic downtown area is exemplary. Everyone feels greater affection for the city. These actions lead to major political change. The Assembly of Representatives of the Federal District has become an axis for the consolidation of democratic political practices in the city. With the participation of political parties, intellectuals, journalists, experts, and citizens movements we have achieved a significant transformation in the political organization of the Mexico City Government. Now in the capital of the Republic, the seat of federal powers, the city government will no longer be a public administration department since it will have its own institutions that are representative and democratic.

The Federal District political reform expands the local political rights of the capital city residents and strengthens the country's democratic life. Any development strategy can only last if we learn to respect and protect our natural resources. The protection of the environment already has a legal foundation all over the country. It is an explicit factor for productive activities and constitutes an area of unquestionable shared responsibilities. The National Ecology Institute will publish this year 141 official Mexican provisions. The Federal Attorney General's Office on the Protection of the Environment [Procuraduria Federal de Proteccion al Ambiente], in turn, has stepped up its activities to promote a greater degree of compliance with ecological provisions, which are some of the strictest in the world. Almost 13,000 inspections were conducted nationwide in different industries, or 180 percent more than were conducted in 1992, leading to partial or total closure in 742 cases.

In addition, 142 environmental inspections have been made of private and public enterprises, in an action agreed upon with industry. Those made in the (Cuatzahualco Ninatitlan) region deserve special attention, as it entailed an investment of over 114 million new pesos paid by these industries. We have established industrial modernization programs directed at the use of clean technologies and the relocation of plants, which usher in a new style of social consensus for the preservation of the ecology. That is why in the recently signed PECE investments in the environment can be deducted by half. Air quality monitoring systems have already been established in 18 cities. Pemex has increased its supply of ecological quality. Half of Pemex's gasolines and diesel meet specifications similar to those of industrialized nations. We have also made a major reduction in the deforestation in our country. Timber production was stabilized following a drop in the last four years, totalling 7.8 million cubic meters.

With the new forest law, seven plantations are operating under the association [asociacion] system, and 52 other projects will begin soon. We have expanded the national system of natural protected areas. Protected areas went from a little over 6 million to almost 8 million hectares from 1992 to 1993. Today, we have over 70 protected areas, 24 of which are biospheric reserves and 44 are national parks. This means that in five years we have tripled the number of protected areas in Mexico, and that they now represent almost 4 percent of the national territory. We are thus protecting our country's enormous biological diversity.

The central objective of modernization is greater social justice. That is the most important challenge. For that reason, the first act of my administration was the creation of Solidarity. To fight poverty, it became necessary to establish a different method of work and social consensus. In the past five years, the total investment in Solidarity rose to almost 13 billion new pesos. It had over 7.6 billion new pesos in 1993. To date, over 150,000 Solidarity Commissions have been installed throughout the country. They receive the resources and through their own social comptroller's offices they ensure that funds are efficiently, honestly, and properly handled. The program was created to build a basic social floor for all Mexicans. It is now also building a second floor, namely, production and employment to generate options for economic growth.

[Text] The coverage of basic services has been noticeably expanded in just about all of the country's municipalities. Until 1992, Decent School [Escuela Digna] program has helped 12 million children by building, maintaining, and equipping almost 74,000 schools. This year alone, 12,000 classrooms have been built and an additional 37,000 have been refurbished. The Children in Solidarity Program is supporting this year almost 750,000 children of low- income families with money scholarships, food, and medical check-ups so they can finish their primary education. In addition, from 1989 to 1992, scholarships were awarded to over half a million students graduating in technical and professional careers. In 1993, 180,000 more students are receiving assistance, and they participate in the country's poorest communities in carrying out social welfare programs.

From 1989 to 1992, Solidarity built over 1,110 rural medical units, thus raising by almost 50 percent the capacity to provide health care, compared to 1988. This year, 53 rural medical units are under construction to provide care to 160,000 more persons. From 1989 to 1992, the Health Secretariat and Solidarity together built, refurbished, and expanded another 2,800 medical centers and almost 250 hospitals. This allowed an additional 2.7 million people to have access to health services. From 1991 to 1992, over 100 hospitals were assisted through the Decent Hospital [Hospital Digno] program. This year, we will have refurbished the out patient and emergency wings of over 190 hospitals.

So that the families that have settled in irregular areas can have the legal certainty of owning the place in which they live, almost 1.7 million land deeds were handed out to benefit an equal number of families from 1989 to 1992. We have additionally handed out this year approximately 150,000 land deeds, meaning that Corep [Commission for the Regulation of Land Tenure] has brought down by 90 percent the lag estimated in 1988 in urban lots of ejido or community origin. From 1989 to 1992, approximately 6,650 drinking water systems and over 2,000 aqueduct systems were built, expanded, or repaired. In 1993, 1,500 drinking water systems and 900 aqueduct systems have been built, expanded, or repaired in 180 towns and 380 low-income neighborhoods.

Today, an additional 13.5 million Mexicans have drinking water. An additional 11.5 million have drainage systems, and an additional 16 million have electricity. This year alone, 5,500 square km of streets have been paved in 450 low-income neighborhoods. Although the Solidarity resources are federal, the participation of municipal authorities has been expanded. This way, with the work of the community and the contribution by state governments, over 28,000 projects have been executed this year in 96 percent of the country's municipalities, including the construction of over 17,000 km of roads and 1,300 of major highways.

Solidarity funds for production are already operating in 1,620 municipalities all over the country. They support with loans over 1 million farmers who work approximately 3 million hectares. To capitalize funds and increase their possibilities, repayments are earmarked for the creation of savings banks. This year, 423 local savings banks were created. The creation and consolidation of 9,210 companies has been promoted in Solidarity, and they have generated over 42,000 jobs. From 1990 to 1992, 120 regional funds were established for the development of Indian populations that represent 726,000 farmers from 3,000 organizations. We have started in this last year over 1,200 projects to benefit the Indian population from 243 municipalities.

The Women in Solidarity Program has made it possible to carry out from 1989 to 1992 almost 4,500 projects that have improved the living conditions of almost 100,000 women from all over the country. An additional 1,000 productive projects were created in 1993 to help 33,000 women from almost 1,000 towns. Similarly, Solidarity has supported over 100,000 farm workers. The productive ecology program continues to be implemented, and we launched the Forest Solidarity Program, which will mean planting 100 million trees. This way, we are bringing the elimination of poverty into harmony with the protection of the environment. Already, there are 16 regional programs that are in operation, covering almost 400 municipalities in 12 states and helping over 9 million residents. During the fourth week of Solidarity, and through the 77 working visits I have made all over the country this year, I have established that Solidarity belongs to the communities, and its future lies there.

In my trips abroad, I have confirmed that the program is an experience that has the recognition of several countries and international organizations. The force for change and greater justice for the nation has arisen from Solidarity. Solidarity has become a new mass movement, an experience in direct democracy.

This is a firm, correct, and adequate path by which to confront the issue of extreme poverty. By remaining united, we have been able to progress. By joining efforts, we will advance. In fact, during 1994 there will be more solidarity to benefit the Mexican people. [applause]

Honorable Congress of the Union, nationhood is not something created by a single heroic stroke. Mexico does not start or end with one administration. I pointed this out when I was sworn into office. For this reason it is essential for us to lean on the efforts of those who preceeded us and acknowledge that the main results of several changes implemented will be seen in subsequent years. In the institutional sense, our efforts require this. We have planted the seed and established the foundation for the country's new phase. The responsibility of building a new country has fallen on our generation. To accomplish this, we modified structures, protected tradition, and renewed institutions. It is the next generation's responsibility to continue the task, conclude the mission, and accomplish our goals.

In any case, as I have reiterated in each of my previous four addresses, the defense of sovereignty is the nation's guiding principle. Our survival as Mexicans depends on the certainty that our everyday efforts will always be rewarded. This is why I emphasized that we should put Mexico's self-determination into a category of supreme value. I have reaffirmed this, despite the fact that in some large industrialized nations some people insist that sovereignty is a obsolete concept. This has come about in the wake of the Soviet Union's collapse, now that they feel their borders are no longer threatened by a superpower. To the Mexicans, sovereignty is not an outmoded concept or a principle that can be easily discarded. On the contrary, it constitutes the essence of our sense of nation.

There are two main justifications for the preeminence of sovereignty. The first lies in our 1,000-year-old culture, in our historical roots, and in our collective identity. We do not constitute a mere conglomerate of communities or peoples. We are a true nation as result of our sense of belonging to our traditions and values, as well as a result of our deliberate determination to be and remain Mexican. Throughout our territory, despite our differences, there are no unsurmountable differences because of race, language, or belief, such those that, as soon as they erupt, destroy other nations. The nation's political frontiers coincide with the sphere of our culture itself.

During the first half of the past century, we discontinued being a fragile, fragmented, and aimless society, to becoming a strong, united, and cognizant nation. I reiterate that in Mexico there is and has always been a nation of tremendous strength, as well as great and proven capabilities. Our history has been built by confronting aggression, resisting external pressures, and having to earn our rightful place in the world. Justly and deservedly, history has proven our country correct, and it gives us a well-founded certainty that it will always transcend any challenge.

This is why sovereignty is so important to us. Because of this, we continue to change, and we do it because we want to continue being Mexicans. Without a doubt, this is our greatest pride. The importance we confer to our country's independence is based on a second reason, which comes from our geography. Inevitably, we are neighbors to the world's greatest power now that the Cold War has ended. As result of our historical experience, we are deeply jealous of our territorial integrity, which comes from our will to continue to remain sovereign. Today, now that voices are being raised abroad to point out the country's insufficiencies, which only reflect a complete ignorance of our vitality, it should be kept in mind that we do not want to be like any other, or share their shortcomings.

We learn from the world, but we do not imitate it. We want to be better, but do not want to be assimilated. That is why we reassert that the sovereignty of our fatherland is of supreme value, because it is part of our culture, because it is one of the Mexicans' most intimate beliefs, and because it is defined in our history and geography. Therefore, we have concrete reasons to commit ourselves to the strengthening of its permanence.

Based on this premise as the guiding principle of our actions, how do we defend our sovereignty at the end of the 20th century? It certainly cannot be with the instruments that were available at the beginning or middle of this century. We no longer have the possibility of using East-West confrontation to our benefit. We cannot exclude ourselves from the world. In the complex interrelation between modern nations, nothing can be resolved by pretending that protective barriers or aggressive rhetoric will defend us. The world has changed profoundly, and so has Mexico. In today's world, after nearly half a century of Cold War, taking into account the changes that have transpired in our country, and confronted with our people's new aspirations, the defense of our sovereignty demands that Mexico be strong and united. A weak or divided Mexico would place the country in jeopardy.

This is why the past five years have been ones of continuous and arduous work to strengthen Mexico and to keep the Mexicans united. My countrymen have actively and resolutely participated in this endeavor. I acknowledge and emphasize this. This is why Mexico is stronger today. There is more respect for our fatherland in the world now, and its voice is heard more often. It has greater presence in the international community, and it has influence over events that can negatively affect us or provide us with opportunities in several regions. This is why, by diversifying its relations, Mexico is stronger.

We are working to augment freedoms and rights in our fatherland. We are promoting agreements and fostering dialogue. This is why Mexico is stronger. The country enjoys more stability, lower—and, I might add, much lower—inflation rates, public finances without deficits, less public debt, more investments, increased expenditures in the social sectors, and the highest international reserves. The productive sector is increasingly more efficient and competitive and has more access to international markets. The economic pact continues to expand at a renewed pace, and it is now focused on furthering the domestic market, wages, and jobs. This is why Mexico is stronger.

We have implemented deep educational reforms that will improve the overall qualifications of the population; will create a teaching staff that is stronger, better trained, and more respected; and will improve the infrastructure and educational programs. We have invested the largest percentage of GNP in education this century. This is why Mexico is stronger. We have an intense cultural life where there are openings for artistic creation, debates, and reflection. In freedom, Mexico is stronger.

We have brought new initiatives and programs into rural areas. We have acted decidedly to turn back the flight of capital and the lack of productivity, to end backwardness, and to give land titles. Despite difficult times, the rural areas have more hope and dignity today. That is why Mexico is stronger. The Mexicans have more access to health services. We have less extreme poverty than five years ago, more attention and respect is given to the Indians, and we have stopped the trend of the concentration of income. The investment in the social sector is the highest in our history, and many Mexicans have found an answer to their demands—some of which were very old—for basic services, such as electricity, drinking water, drainage systems, housing, land titles, roads, and to support their efforts to produce. This is why, without denying our deficiencies, but for all this, the nation is stronger.

The greatest change, however, has been in ourselves. Our change of mind is the one that has marked all of our current efforts. It is the change of knowing that we are capable of changing without resorting to destruction, intolerance, or alienation. This is a change based on knowledge that enables us to make adjustments and advance. It is a change based on proving that we can overcome our challenges, no matter how difficult they may appear, and ultimately attain our goals. It is a change through which we are proving that we can—as equals—compete in the world. The mentality of the Mexican has changed, and he now knows that he can defeat adversity with his work and organization; his will to progress; and his enormous attachment to his community, region, traditions, and culture.

We are building a stronger Mexico by expanding justice, strengthening our freedoms, and promoting democracy. As we achieve that goal—without disregarding our shortcomings—by respecting majorities, by encouraging dialogue, and by emphasizing our responsibilities, we are strengthening unity among Mexicans.

A stronger and unified Mexico shows that throughout these five years we have strengthened our fatherland's sovereignty. By achieving that goal we have been able to confirm that we are the generation of change, change for progress, toward new horizons, with a more promising outlook, with hope, proud of our past, and with our sights set on the future.

Fellow countrymen, we can confirm that the modernization process we are conducting is nationalist and popular. The main purpose of our effort has been the well-being of the people, of the sovereign people. The nationalist character of our modernization is based on the best causes in the history of our Republic. Benito Juarez inspired this effort. His passion for the sovereignty of our fatherland, his conviction, his determination, and his strength allowed Mexico to finally achieve its independence. As we have said before, he gave our people a firm conviction of victory for the first time in their history. His conduct was one of dignity and strength. He always maintained a high morale in struggle. The fatherland will always be sovereign as long as the memory and example of Benito Juarez beats in our hearts. [applause]

The people's commitment to the modernization process is guided by the great social struggles of our history. Emiliano Zapata inspires this effort. He never wished that justice system reforms be made for political reasons or for temporary benefits. Zapata's revolution was the cleanest among the many expressions of the Mexican revolution. His struggle was aimed at getting initiatives and solutions in the hands of the people, in the communities themselves. He wanted them to draft and carry out their own programs for their own benefit and progress.

This is the best way to preserve and emphasize the simple and far-reaching values that have been passed on to the various generations: affection, trust, duty, and dignity. Struggles for social justice will always be waged in the nation as long as the memory and example of Emiliano Zapata beats in the hearts of the Mexican people. [applause]

Juarez symbolizes the Republic and Zapata symbolizes justice. Both symbolize the nation and the people. They inspire today's nationalist and popular modernization process. Juarez represents our liberal vocation and Zapata our social conviction. That is why I deeply admire Juarez and Zapata. That is why we have a social and not a state liberalism. It is a proposal and not a doctrine.

Mexicans, we have a great deal of history to guide us and results to encourage us today. We have a great mission to carry out next year and we have to prove to ourselves once again that we are living up to the dreams and achievements of our forefathers. In this effort we must respect debate, be receptive to social demands, be open to analysis, and be willing to learn from the world. We have our sights set on the future as it will be built by our own effort. The proposal of change demanded by the majority of the Mexican people is the one that has been promoted by my government. This is a change for progress and for the future. We are building for the future with efficient instruments, always maintaining our stability, our freedoms, and strong Republican institutions to ensure the permanence of our objectives.

This is the time to define our positions. It is important to commit ourselves to the country's sovereignty, freedom, and justice, and to achieve it, we have to expand our democratic encounters and encourage people to give their opinions on the best way to carry it out in Mexico with an awareness of the world today.

We welcome debate because it strengthens all of us. We welcome the various and ample convictions and actions of our pluralism when our fatherland is the highest commitment. That is why we always pronounce with pride here and throughout the world and with our heads high the name of Mexico! [applause]

In 1994, our country will have a moment of reflection for the federal elections. The participation of all citizens consolidates our democratic institutions. I offer full respect to the various political forces and the contenders who will participate in the elections, and I support what the law establishes and the adequate conditions so that with full freedom they will present their options to the Mexicans. We will watch so that the federal administration public employees will commit themselves to the spirit and the letter of the Constitution and the laws emanating from it.

I call on the federation, the political parties, the social groups, all citizens to join in an effort, a commitment to hold clear, transparent, and exemplary elections; to assume a political pact of civic-mindedness within the framework of the law. Let all Mexicans—and only the Mexicans—be the definite guards and the committed actors of our democracy. [applause] Through the institutions of the country, I will maintain the certainty of a legal, orderly, and civilized accomplishment of the political activities.

I will guarantee peace and stability with the law. I will promote agreement to encourage the culture of mutual recognition and the greatest respect for each citizen, his vote, and his opinion. I will not stop giving day by day, hour by hour, at all times all of my efforts for the sake of Mexico. I will comply with the mandate that I upheld to guard the Constitution. There will be no turns or deviations. Our economic path is that of the world, of the new generation, of the well-being of Mexico. There will be no variations, because this does not depend on immediate situations but on many years of effort.

I will steer the leadership of the government, without any sudden changes, with prudence, without any haste, in a firm and harmonious manner. I will promote full respect and dialogue. I will encourage the work we must now do, the new actions we must undertake in order to consolidate changes and benefit those who have less. I will continue to strengthen the nation. The unity of Mexicans is above everything.

Fellow countrymen, we are winning the future. The hopes of the Mexicans are the strength of the nation. Mexico deserves all of our work, all of our devotion, all of our efforts. Ours is an extraordinary fatherland. Mexicans are strong and dignified people. With facts and with a vision of the future, we are proving that Mexico is a great nation. Yesterday, it was a great nation; today, it is a great nation; and it will be a great nation in the next century! Viva Mexico, fellow countrymen! [applause]

Costa Rica

Calderon Criticizes Developed World's 'Threats, Pressures'

PA0211045093 Mexico City NOTIMEX in Spanish 2247 GMT 1 Nov 93

[Text] San Jose, 1 Nov (NOTIMEX)—Costa Rican President Rafael Angel Calderon today said Latin America "is experiencing very delicate moments because of the threats and pressures we are receiving from the developed world."

Opening the 24th meeting of Latin American and Caribbean energy ministers, Calderon criticized the charges filed by U.S. unions against alleged violations of human and labor rights in Central America. The suits threaten to exclude these countries from the Generalized System of Preferences and the Enterprise for the Americas Initiative, which are U.S. programs that grant preferences to Central American exports. He said that conditioning labor law reforms to maintain the commercial benefits of those programs "represents interference in our domestic affairs."

He also criticized the EC restrictions on Latin American banana exports. The region's countries have filed a suit with the GATT against the quota system and they expect a favorable decision no later than 15 December. "On the one hand the developed world advocates open markets and on the other hand, it closes off to us the possibilities of development and increase in the sale of our products," he said.

Calderon said that Latin America today is more united than ever to face these obstacles and to wage a struggle in defense of coffee and banana exports. The Costa Rican president said that 17 years ago, the region was very divided, "Bolivar's dream seemed remote, and there was little hope of reaching unity in the region." At this time, he added, "we have an American continent where extremisms have practically disappeared and we have a true unity that will enable us to strengthen our integration efforts."

The Central American presidents sent a letter to U.S. President William Clinton asking him "to stop the threats of expulsion" from the Generalized System of Preferences in view of the economic impact that the measure would have on the region.

On Sunday, Calderon indicated that "it is not possible for the United States to maintain such an attitude against its traditional allies at a time when the area has achieved its most evident progress in democratization and human rights in 172 years of independent life."

The meeting of Latin American and Caribbean energy ministers, which concludes on Wednesday, will analyze the future of the energy sector and the Latin American Energy Organization.

El Salvador

Presidency Minister Says Castro Murder 'Not Political'

PA0211040693 San Salvador Radio Venceremos Network in Spanish 1800 GMT 1 Nov 93

[Report by Jose Someta; from the "Period, Same Paragraph" newscast]

[Text] A news conference by Presidency Minister Oscar Santamaria at the Presidential Palace has just ended. The minister said the government condemned FMLN [Farabundo Marti National Liberation Front] leader Eleno Castro's murder, regardless of who committed it. He added that the government had sent an investigation commission to the scene of the crime to work with the National Civilian Police as soon as the murder was reported. Minister Santamaria also condemned the death of FMLN leader Francisco Velis.

He said that the Velis murder was still under investigation, that witnesses are currently being questioned, but that information is still pending. Santamaria added that all the government's resources are being geared to solving of the two murders. In his opinion, however, Eleno Castro's murder is not political in nature. He added, however, that we will have to wait for the conclusion of the investigation to confirm this.

The Presidency Minister reported that government, FMLN, and Onusal [UN Observers for El Salvador] officials held a meeting last week and agreed to establish an investigation group, which will be supported by foreign organizations, to help in the investigations. The investigation group will work with the Salvadoran police. Santamaria also reported that representatives of foreign police organizations will probably arrive in El Salvador this week and that an institutional commission will coordinate the investigation.

'Urban Commandos' To Launch Campaign Against Businesses

PA0211042193 San Salvador Canal Doce Television in Spanish 0300 GMT 2 Nov 93

[From the "Up-to-Date" newscast]

[Text] Alleged urban commandos from the People's Revolutionary Expression [ERP] said in a telephone call to our editorial staff that they will launch a military campaign against all businesses that they claim are financing the death squads.

The ERP spokesman, who only identified himself as Commander Fernando, said the measure will go into effect at midnight tonight and it is a result of the latest murders of four Farabundo Marti National Liberation Front leaders. According to Commander Fernando, the ERP has secret reports that include families such as Duenas, Altamirano, Palomo, Sol Bang, and others as being death squad sponsors and that is why all their businesses are military targets. The informer also said the measure is a unilateral decision made by the mid-level commands of the former guerrillas, who do not have the support of the current FMLN leadership.

Foreign Minister on Effects of Recent Violence

PA0111200493 Panama City ACAN in Spanish 2126 GMT 31 Oct 93

[Text] Panama City, 31 Oct, (ACAN-EFE)—Salvadoran Foreign Minister Jose Manuel Pacas said in Panama City that despite the existence of extremist groups that are attempting to "destroy" all that the Salvadoran people are doing for peace, the democratic nature of El Salvador will remain firm.

The head of Salvadoran diplomacy was in Panama City over the weekend to attend Saturday's funeral of Panamanian Foreign Minister Julio Linares. Pacas told ACAN-EFE that despite the violent incidents in El Salvador over this past week, instability does not prevail in the country.

"Obviously, there will always be extremist groups that try to destroy all that the people are building, but I would not say there is instability," the foreign minister said. Foreign Minister Pacas will soon leave the post of foreign minister to assume the presidency of the Central American Bank of Economic Integration.

The foreign minister stressed that he can "guarantee that the people (of El Salvador) are firmly committed to peace, that the process is irreversible, and that the country's democratic nature is very firm."

That is why, the foreign minister added, "our general elections in March will be held in peace and tranquility. We are going to respect the will of the people."

Heleno Hernan Castro, Commander "Carmelo," and Francisco Veliz, high-ranking members of the Farabundo Marti National Liberation Front (FMLN), were murdered this week in El Salvador. Some people believe that these incidents endanger the peace agreement signed by the government and the FMLN in January 1992.

Guatemala

* Authorities Accused as Source of Violence, Corruption

94CA0016B Guatemala City SIGLO VEINTIUNO in Spanish 30 Aug 93 p 6

[Text] Yesterday, the head of the National Teachers Association, Lucrecia Juarez, charged that the teachers union leader from Joyabaj, Quiche, Alfonso Ramos Garcia, was assassinated by two individuals who fled after having fatally wounded him.

The incident occurred at 1950 on Friday, when someone knocked on the door of Ramos Garcia's residence, asking whether he could referee a soccer match. Another person took advantage of this opportunity to fire point-blank at him, leaving him seriously injured.

The teachers union leader was taken to the local health center, and later to Santa Elena Hospital, in Santa Cruz; from which he was sent to the Social Security emergency unit, owing to the seriousness of the wound. Unfortunately, it proved impossible to save his life.

Juarez claimed that Ramos was known for reporting acts of corruption in the municipal administration of Juan Toj. The latter, who is under arrest for misappropriation of funds, benefits from the protection of Deputies Claudio Coxaj and Vinicio Villar Anleu.

The teachers union leader remarked that Toj might be one of the brains behind the crime, because he is still running the municipality, using the jail as his office. The sources also charged that 17 other teachers have been intimidated and threatened with death. Hence, they have petitioned the pertinent authorities, and particularly the Office of the Human Rights Prosecutor, to conduct an investigation of the case.

* Monetary Board Approves Modernization Program

94CA0016A Guatemala City PRENSA LIBRE (DINERO SUPPLEMENT) in Spanish 29 Sep 93 p 1

[Article by Manolo Acabal]

[Text] On 20 September, the Monetary Board approved the National Financial System's Modernization Program, which is divided into five major guidelines: monetary stability, financial decontrol and diversification of the supply of banking products and services, reinforcement of judicious policy-setting, modernization of financial oversight, and regulations for the stock and capital market.

According to the document, the purpose of monetary stability is to foster the legal and regulatory framework, and to ensure a financial policy that will promote the growth and development of the national economy in an environment of monetary and price stability.

As for macroeconomic policy, the document indicates that the economic stabilization program will be continued in a medium-term frame of reference. In the area of monetary policy, it is proposed, among other provisions, to ensure decontrol of interest rates, a gradual reduction in bank cash reserves, and an opportunity for the Bank of Guatemala's term certificates of deposit to be negotiated directly on the stock market.

Prominent in the credit policy is the desire to prohibit or limit the central bank's credit, so as to control that source of monetary imbalance. Another aim is to prepare the bill on debt exchanges between the Bank of Guatemala and the Public Finances entity, so as to correct that source of monetization, and to put the Bank of Guatemala's balance sheet on a sound footing.

With respect to the exchange policy, an attempt will be made to improve the current system, directing it toward the market. Legislation will be proposed to eliminate the principle of foreign exchange concentration by the central bank, and to regulate receipts of foreign currencies as well as financial brokerage in foreign exchange.

Also included is an amendment of rules to reinforce the autonomy of the central bank system, and the preparation of a plan for restructuring the Bank of Guatemala.

With the financial decontrol and diversification of the supply of banking products and services, an effort will be made to create the legal and regulatory framework to ensure a financial oversight policy that would also make it possible to deregulate the banking institutions. In this way, they could carry out operations of a banking nature other than those existing. The goal is to diversify their supply of products and services, and to foster greater national and international competitiveness.

The modernization of financial oversight, for its part, is intended to ensure a legal framework with a preventive focus and self-regulation of the institutions, according to rules issued by the pertinent authorities. This would modernize and reinforce the Banking Superintendency's capacity for anticipating, preventing, and taking timely action to correct situations or practices that could jeopardize the liquidity, solvency, and soundness of the financial institutions.

As for the regulation of the stock and capital market, the only comment is that a bill providing for this will be prepared to facilitate the development of that market.

Honduras

Health Workers Receive Pay Increase, End Strike

PA0111172293 San Pedro Sula LA PRENSA in Spanish 29 Oct 93 p 12a

[Text] Tegucigalpa—The government authorized last night a 29 million-lempira salary adjustment for 13 thousand health workers who were staging a 13-day strike, thus bringing an end to union workers' pressure tactics. After signing the agreement, the workers shouted: "Mission accomplished!"

Although the workers demanded approximately 40 million lempiras in salary adjustments for 1994, in the end they received approximately 29 million lempiras, which is equivalent to increases of 210, 225, 280, 300, 320, 360, and 375 lempiras on the wage scale.

Nurses will receive a salary increase of 250, 280, 300, 320, and 360 lempiras, according to their wage scale.

The previous figures represent an overall amount, because it includes the 25 million lempiras in raises received as part of a general increase given by the government to all public workers, plus the four million lempiras obtained last night.

The special document, which guarantees strikers will not be subject to any reprisals by their employers, was signed last night by Health Minister Ramon Pereira; Francisco Guerrero, secretary general of the Confederation of Honduran Workers, CTH; and Rene Madrid, president of the National Health Worker's Coordinating Board [Coordinadora Nacional de Trabajadores de la Salud], CNTS.

The document was also signed by CTH leaders Erasmo Flores, Neptaly Garcia, and Jose Angel Meza; health workers' labor leaders Jose Luis Baquedano and Victor Cubas; and others, including some health officials.

Pereira and Madrid asserted that people can now resume normal activities because that strike that denied Hondurans' their right to health services has ended.

They agreed that the settlement will allow the groups involved in protecting Hondurans' health to achieve efficiency, quality, and equity in their services.

The strike, which began on 15 October precisely when doctors had ended a 16-day strike to demand a salary increase, provoked the "betrayal" of various leaders and resulted in mutual accusations among some of the union leaders.

Workers who participated in the strike will not be subject to any type of sanctions, and although the measure was not declared illegal, they will have to make up for lost time by working overtime. Otherwise, they will receive no pay for that period.

Starting today and following many negotiations, proposals, and counterproposals, all state hospital services will resume.

The following scale shows the increase in salary scales granted to CNTS members:

One to five years in service, 210 lempiras; six to 10 years in service, 225 lempiras; 11-15 years in service, 240 lempiras; 16-20 years in service, 250 lempiras, 21-25 years in service, 280 lempiras; 26-30 years in service, 240 lempiras; 31-35 years in service, 270 lempiras; 36-38 years in service, 330 lempiras; 39 years in service, 375 lempiras.

Nicaragua

UNO Sends Letter to Chamorro Updating Progress in Talks

PA0111164593 Managua Radio Corporacion in Spanish 2200 GMT 29 Oct 93

[Letter from the National Opposition Union, UNO, National Political Council to Nicaraguan President Violeta Barrios de Chamorro issued in Managua on 28 October; from the "Five O'Clock Sharp" newscast]

[Text] Managua, Nicaragua, 28 October 1993

Your Excellency Mrs. Violeta Barrios de Chamorro

President of the Republic

Your Excellency:

Regarding your letter of 26 October, I wish to inform you of the topics we discussed at the three last meetings of the UNO [National Opposition Union] National Political Council and the government commission.

A. At the 18 October meeting, a brief report was received on the use of foreign cooperation awarded to Nicaragua during your administration and the IMF plan pending signature. We also agreed on what was discussed at the 13 and 16 September meetings. The property issue was discussed as well.

B. At the 21 October meeting it was agreed that before initiating the national dialogue, bilateral agreements must be signed between the government and UNO dealing with such topics as the Legislative Branch, Executive Branch, General Comptroller's Office, electoral branch [as heard], and the Armed Forces. Additionally, topics dealing with property and economic reconstruction are also to be dealt with. On 21 October the following commissions were formed: Judicial Branch, government program compliance, and reforms to Decree 1-90. Topics dealing with the Legislative Branch were also discussed.

C. On 25 October, the last meeting, an in-depth discussion was held on the Armed Forces, and many points of agreement were identified. In your letter you express ideas and additional principles that we will discuss with the government commission and afterward sign with you the government-UNO agreement on this topic. When the National Assembly conflict is resolved and your draft law is received, UNO will talk with the Sandinist National Liberation Front. In view of the critical national situation, the signing of agreements between you and UNO on the topics mentioned under Paragraph B can no longer be delayed, and to that effect we are at your service.

With the highest consideration and appreciation, we remain,

UNO National Political Council

[signed] Roger Mendieta Alfaro, national coordinator.

Announces Conditions To Discuss Reforms

PA0211035193 Managua Radio Sandino in Spanish 1100 GMT 1 Nov 93

[From the "Events" newscast]

[Text] The National Opposition Union [UNO] has announced conditions to discuss the constitutional reforms.

The UNO Political Council accepted the partial reforms to the constitution under the condition that political negotiations and agreements are reached within a 30-day period. Those at the UNO Political Council say they would support the constitutional reforms instead of a constituent assembly if the Center Bloc deputies, who are supported by the Sandinists, resign so UNO can return to the National Assembly's board of directors. UNO fears that at least eight deputies could join the Center Bloc in supporting the constitutional reforms, which could allow for its legal discussion at the National Assembly.

The UNO Political Council announced Saturday night that it would not accept any constitutional reform discussion at the National Assembly before 30 November. After that date, if no agreements are reached, it will demand a constituent assembly.

Panama

Four Ministers Resign From Cabinet; Replacements Sworn In

PA0211005093 Panama City Circuito RPC Television in Spanish 2300 GMT 1 Nov 93

[Report by Alexandra Ciniglio—passages within quotation marks recorded]

[Text] The resignation of four ministers became effective today. They resigned to join the 1994 political campaign. In addition, four new officials were sworn in to hold posts in the respective ministries.

The new members of the cabinet effective today are: Jose Raul Mulino at the Foreign Ministry, Jose Antonio Dominguez at the Public Works Ministry, Jose Manuel Berrocal at the Finance and Treasury Ministry, Sheila Castillo de Arias at the Labor Ministry, and Laurencio Guardia at Housing Ministry.

The president made the formal announcement at a ceremony attended by other cabinet members and the outgoing ministers who will now devote their time to politics.

[President Guillermo Endara] "I thank the ministers who will remain in their posts, and I ask them to continue the work they have been doing thus far. I thank the ministers who are joining the cabinet today and their deputy ministers for deciding to assume such great responsibility."

It was also announced that Carlos Cordero will be the deputy foreign minister; Jose Ramon Guizado, deputy public works minister; Jaime Fernandez, deputy treasury minister; and Nora Batinovich, deputy labor minister.

[Public Works Minister Dominguez] "I firmly believe I am not the only young person within the party or within any party who has the capacity to hold an important post. I hope to see more young people holding such posts in the future. We need young people who will represent a good change for the country."

[Foreign Minister Mulino] "The Foreign Ministry is very complicated. I had resigned and Mr. Linares died. There were very important matters that could not be left pending while someone learned Foreign Ministry work."

[Labor Minister Arias] "I held the posts of general labor director for three years and deputy minister for a year. My main task is to maintain labor stability in the country and keep the productive sectors, as has been the case so far, in the type of talks that have been beneficial for the country."

[Treasury Minister Berrocal] "I think that the former minister and other past ministers have done a tremendous job."

[Reporter Alexandra Ciniglio] "There has been much criticism within the ministry about the way fiscal policy has been handled. How do you view this?

[Berrocal] "I have not learned of any criticism within the ministry as result of fiscal policy. Nevertheless, I will have a chance to answer that question on another occasion when I am better informed."

President Endara disclosed that on 15 November all Executive Branch officials will participate in an event where the Electoral Tribunal will explain what will be the role of public servants in the upcoming elections. In addition, public employees will take an ethical and legal oath prior to the May elections.

Argentina

UK, Argentine Foreign Ministers: Falklands Still an Issue

PY0111203193 Madrid EFE in Spanish 1623 GMT 1 Nov 93

[Text] London, 1 Nov (EFE)—Douglas Hurd, British foreign and commonwealth affairs secretary, in London today praised his country's good relations with Argentina, but added that the question of the Malvinas Islands' sovereignty is something "still separating us."

Hurd and Argentine Foreign Minister Guido Di Tella talked to reporters at the end of a luncheon, stressing that their meeting was very cordial, and adding that they talked about diverse questions of mutual interest.

Hurd stressed that apart from the question of the Malvinas Islands' sovereignty, Di Tella's official visit to London shows how much progress the two countries have made in improving relations. Argentina and the United Kingdom faced each other in a 1982 war over possession of the South Atlantic islands.

"We are talking about friendship that is developing between our two countries," Hurd said, adding that Argentina and the United Kingdom reached an agreement for "British Gas" to invest in the South American country.

Di Tella said his visit to London was very important, adding that despite the disagreement with the United Kingdom over the Malvinas Islands, the two ministers discussed various items of common interest, including financing, trade affairs, and investment.

The Argentine foreign minister said he hopes relations between his country and the United Kingdom will be consolidated.

The two ministers spoke to the press after a luncheon at Hurd's residence and after signing an agreement regulating fishing in the South Atlantic, specifically, below parallel 45 and in Malvinas Islands waters. The document was worked out at the seventh meeting of the South Atlantic Fishing Commission in Buenos Aires on 18 and 19 October. The document stresses that the two countries' representatives expressed satisfaction at the progress made in their bilateral cooperation, which ended in the aforementioned agreements.

Argentina and the United Kingdom fought a war for the possession of the Malvinas Islands in 1982. The two countries resumed diplomatic relations in February 1990. The two countries decided, however, to implement "an umbrella policy" over the island, which in effect froze the conflict over the sovereignty that has been claimed by Buenos Aires since 1833.

Further on Fishing Agreement

PY0111190193 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 1 Nov 93

[Text] Argentine Foreign Minister Guido Di Tella this morning signed a fishing agreement with Douglas Hurd, the UK secretary of state for foreign and commonwealth affairs.

The success of the negotiations undertaken by the Argentine Government will enable our country to increase the number of licenses for fishing south of Parallel 45. The agreement increases our quota of squid next year from 130,000 metric tons to 200,000 metric tons.

Foreign Minister Notes 'Really Tragic' Situation in Haiti

PY0111223793 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1935 GMT 1 Nov 93

[Text] Buenos Aires, 1 Nov (NA)—Argentine Foreign Minister Guido Di Tella said today that if Haitian authorities "cannot receive economic aid" from the international community, "they will be in a truly terminal situation."

In referring to the crisis that country is going through, Di Tella said: "The situation in Haiti is really tragic" because there is not even "minimal social organization."

"If one analyzes the present world, one finds that Haiti is the country with the most serious institutional, social, political, and economic weaknesses. In some African countries there is at least a tribal structure, a sort of social organization that Haiti does not have," the foreign minister said in statements to a radio station.

Di Tella added that "in addition to the sociopolitical problem" Haiti is experiencing, the country "needs a solution including substantial economic aid."

Deputy Seeks Inter-American Support for Democracy Efforts in Haiti

PY0211013593 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2210 GMT 1 Nov 93

[Text] Buenos Aires, 1 Nov (NA)—Justicialist Party Deputy Jose Maria Corchuelo Blasco today asked the Foreign Ministry to "invite the congresses of all countries in the Americas" to send lawmakers' commissions to Haiti to support the efforts UN mediator Dante Caputo is making for the return of democracy to that country.

Corchuelo Blasco submitted a draft resolution asking the Foreign Ministry to request UN and OAS "protection and security for the legislative mission of the Americas in Haiti."

"Considering the seriousness of the situation," he said, "I believe it is imperative for the lawmakers of the Americas to cooperate with our presence at the meeting of the Haitian Congress that will lead to the fulfillment of the Governors' Island agreement."

The Chubut Province deputy emphasized that in February 1992 Argentine sent a bicameral mission to Venezuela to support democracy in that nation.

Joint Staff Chief Reaffirms Military's Subordinate Role

PY0211014693 Buenos Aires CLARIN in Spanish 30 Oct 93 p 13

[Text] Within the framework of the double disciplinary measure implemented last week against Rear Admiral Jose Roberto Fernandez for distributing a Navy document (which prompted his early retirement) and making a highly critical speech as he bid farewell to his comrades in arms (for which he was punished with a 30-day arrest), the Joint Staff chief, Lieutenant General Mario Candido Diaz, yesterday noted the need for the Armed Forces to be "subordinated to the political power."

During a ceremony, also attended by President Carlos Menem, to mark the Argentine Coast Guard's 97th anniversary, Diaz merely commented to journalists that the disciplinary measures against Fernandez specifically concerned the Armed Forces. He added: "The important thing is that the Armed Forces be subordinated to the political power, fulfilling their specific duties and contributing to attaining the established national goals."

Menem was welcomed by the Coast Guard chief, Commander General Jorge Maggi. Interior Minister Carlos Ruckauf, Navy Commander Admiral Enrique Molina Pico, former President Arturo Frondizi, and U.S. Ambassador James Cheek, among other authorities, also attended the ceremony.

Rear Adm. Fernandez—the Navy's fourth most important officer—was forced to go into early retirement on 25 October after distributing a document on the "naval strategic concept." The document explains the country's precarious defensive capacity due to an economizing policy that emphasizes—according to the document—budget restrictions that erroneously assess the potential risks that exist in the military field.

Fernandez bid farewell to his comrades in arms on 28 October with a speech that earned him a 30-day sentence, which he must serve at the Almirante Zar base in Trelew.

In his farewell speech, Fernandez voiced his surprise over Defense Minister Oscar Camilion's comments in which he asserted that he ignored the "naval strategic concept" document's contents. Fernandez said: "A few days ago he had expressed his satisfaction with what he considered a professional and comprehensive document and said that to have it made him feel a citizen of the First World; therefore he congratulated the Navy for it."

Another controversial paragraph of the speech referred to the Navy commander whom, in the beginning, Fernandez called a "colleague and friend." Fernandez added: "I also must express my full disagreement with his actions and the use he makes of his power in handling and seeking the best solution to these types of circumstances."

Economy Minister Arrives in China To Discuss Economy, Trade

PY0111182493 Madrid EFE in Spanish 0940 GMT 31 Oct 93

[Text] Beijing, 31 Oct (EFE)—Official sources have reported that Argentine Economy Minister Domingo Cavallo arrived today on an official three-day visit to China to discuss economic cooperation and bilateral trade issues.

Cavallo will meet tomorrow in Beijing with Wang Zhongyu, the State Economy and Trade Commission chairman, and Zheng Silin, the Foreign Trade and Economic Cooperation vice minister, before leaving for Shanghai, a Chinese economic development axis, and then Hong Kong.

Among the issues to be discussed, it is expected that Cavallo will focus on the declining volume of traditional Argentine exports to China such as grain, iron and steel products, vegetable oils, and wool.

During 1992, China exported products to Argentina—mostly chemicals and textiles—worth $40 million and imported Argentine products worth $90 million.

In spite of this favorable surplus, the volume of Argentine exports to China compared with 1991 have declined. Argentine exports to China in 1991 totalled $300 million and imports from China barely totalled $60 million.

Marking the 20th anniversary of relations between the two countries, Foreign Minister Guido Di Tella visited China in February 1992, signing an important agreement on investments guarantees.

During his visit, Di Tella expressed his government's interest in enhancing the politico-economic relations with China, a country whose economic growth rate during the past decade has been nearing 10 percent and "which will play one of the world's most important geopolitical roles in less than 10 years."

Balza: Relations With Chilean Armed Forces 'Excellent'

PY0111130693 Buenos Aires CLARIN in Spanish 30 Oct 93 p 13

[Text] Lieutenant General Martin Balza [Army chief of staff] said yesterday in Comodoro Rivadavia that relations between Argentine and Chilean Armed Forces are "excellent."

Balza said that "these relations are based on the process of integration, on the permanent quest for mutual confidence and respect."

Before returning to the federal capital after visiting military units in Chubut and Santa Cruz, Balza told the press that the Army under his command "is trained and currently undergoing a stage of reorientation in its organizational doctrine to meet the demands of war."

* Camilion Announces Wage Hike for Armed Forces

94SM0016B Buenos Aires CLARIN in Spanish 16 Sep 93 pp 22-23

[Article by unidentified correspondent]

[Text] The Defense Ministry has finally obtained the funds needed to improve the situation of the Armed Forces and security forces. The plan provides for general and selective increases that are based on geographical destination and on field of specialization. The pay raises also apply to civilian personnel, who will in this way be receiving their first salary increase since the beginning of the convertibility plan.

The Economy Ministry has distributed its budget allocations for next year. The Defense Ministry has already begun to draw on its account, inasmuch as Minister Oscar Camilion confirmed yesterday that there will be pay increases for Armed Forces and security personnel.

Finance Secretary Ricardo Gutierrez delineated responsibilities in this connection. "We shall establish the overall allocations," he said, "and the individual ministries will determine how the funds are spent and the amount of the pay increases."

The Economy Ministry on Tuesday submitted the 1994 budget guidelines for debate in Congress. They include, among other things, a 14.4 percent increase in military spending over the allocation for the current year.

The bill allocates a total of 675 million pesos to finance the new pay scale for personnel in active service and personnel on the retired list. The funds will be distributed as follows: An allocation of 420 million pesos has been established for personnel in active service, and an additional 255 million pesos will be used to make the pay of retired personnel comparable to that of personnel in active service (see table).

Camilion explained yesterday that the increases contemplated will be of two types. On the one hand, the increases will be "selective" for all the active personnel in the three Armed Forces, the Prefecture, and the National Police.

"We shall make these determinations on the basis of a particular type of activities or particular geographical locations, as in the case of personnel who work in the border areas and the parachute troops," the defense minister explained.

He added, however, that there will be "increases of a general nature" to benefit approximately 30,000 civilian employees of the Armed Forces and security forces.

There has been nothing specific regarding the amount of the increases. Camilion said that "the increases will be established within two weeks." He explained that what needs to be done is "to draw up a differentiated list to determine the increases in each case."

The defense minister also indicated that the corrections for personnel in active service will be obtained by means of "supplements of a special type" that will be arranged on the basis of the task performed and the geographical area of assignment.

"For example," Camilion said, "personnel—of the national police as well as of the armed forces—who are stationed on the border have traditionally received a supplement to their pay to compensate for their distant assignment. There will also be a supplement to compensate for the degree of responsibility inherent in a given occupation; it will perform a function similar to that of SINAPA [National Administrative Profession System] in the public administration."

Another mechanism that will be used in granting pay increases "will resemble the criterion for increased productivity that has been promoted by Domingo Cavallo within the business commmunity. Critical occupations," he said, "will be identified, "and supplements will be paid for those duties that require greater responsibility or that have additional functions."

As for the manner of distributing the allocations among the various forces, Camilion stated that "the criterion adopted was to establish an overall allocation, and subsequently to discuss with each service the best way to implement the increases."

He explained that retired personnel will not benefit this year from the increases. They will have to await implementation of next year's budget, in which the sum of 255 million pesos has been set aside to make their income comparable to that currently received by personnel in active service.

The increase in the budget allocations also benefits the other security forces that are subordinate to other ministries.

In these cases, the increased funds will be used for a purpose similar to that intended by the Defense Ministry: namely, to discharge the debt the state owes to retired personnel, inasmuch as the obligation to pay them 100 percent of the pay received by personnel in active service has not been fulfilled.

Another of the economic problems facing the Armed Forces is international in origin: the fact that the debt the UN owes our country for the dispatch of our peacekeeping troops to Croatia has gone unpaid for 10 months.

Table 1. Increase in Expenditure on Personnel (in millions of pesos; includes pay adjustments)

Active Service	
Armed forces military	200
Armed forces civilian	150
Federal police and penitentiary service	70
Total in active service	420
Retired List	
Armed forces	195
Federal police and penitentiary service	60
Total on retired list	255

Table 2. Expenditures by the National Government (in pesos)

Institution	1993	1994	Percentage of difference
National Legislative Branch	420,402,500	427,614,478	1.7
National Judiciary	555,180,200	708,000,000	27.5
Office of the President	1,659,002,129	1,516,874,464	-8.6
Expenditures By Ministries			
Interior	1,995,549,203	2,049,798,188	2.7
Foreign Relations, Domestic Trade, and Worship	412,456,902	361,392,569	-12.4
Justice	280,619,372	320,518,037	14.2
Defense	4,115,331,172	4,705,773,209	14.3
Economy, Public Works, and Services	3,090,396,686	3,244,281,359	5.0
Culture and Education	1,716,217,435	2,050,845,283	19.5
Labor and Social Security	16,937,013,792	17,025,344,133	0.5
Public Health and Social Action	957,304,044	965,613,670	0.9
Other Expenditures			
Service on the public debt	3,245,620,358	2,939,671,000	-9.4
Treasury obligations	4,600,368,214	3,665,021,000	-20.3
Grand total	39,985,462,007	39,980,747,390	0.0

Bolivia

Vice President Leaves for Official Visit to U.S., France

PY0111130493 Cochabamba LOS TIEMPOS in Spanish 23 Oct 93 p A1

[Text] La Paz, 22 Oct—At the invitation of some international organizations, Vice President Victor Hugo Cardenas has left Bolivia for an official tour of the United States and France. He has also been entrusted with some affairs of state.

Cardenas left early on 22 October. No previous official announcement of his departure was made. The first leg of his trip is in New York, where he will stay until 4 November. According to sources close to the vice president, he will lecture on the problems facing indigenous peoples and on the Bolivian Government drug enforcement policy.

This is the second official tour by Cardenas since he assumed office last 6 August. During that same month he traveled to Asuncion, Paraguay, heading an official delegation to Paraguayan President Juan Carlos Wasmosy's inauguration.

The report issued by the vice presidency stated that during his stay in New York, Cardenas will endeavor to explain to the United Nations Bolivia's interest in securing one of six seats on the UNESCO Advisory Council.

Justice Admits 'Pressure' Exerted in Nicaraguan Ibarra's Case

PY0111195093 La Paz PRESENCIA in Spanish 21 Oct 93 p 1

[Text] Sucre, 20 Oct—Luis Adolfo Siles Salinas, former president of the Republic and current Supreme Court justice, revealed that in the days preceding the Supreme Court decision on the extradition request of former Nicaraguan Vice Minister Antonio Ibarra, pressure was exerted on the justices. He declined, however, to say what sort of pressure.

"More than feeling the pressure, we breathed pressure. In several cases this pressure was explicit, such as in the case of the casinos," he laconically told PRESENCIA. Siles Salinas said he felt "very hurt" about the serious corruption charges made today against the Supreme Court of Justice.

"I feel unquestionably hurt. I came to the court to work, to renew things, but it is clear that there are many accusations and investigations," he said.

He added that the charges that began to be made on 20 October "confirm the belief that the four dissident justices (Oscar Hassenteufel, Guillermo Arancibia, Antonio Salazar, and Siles Salinas himself) have acted correctly and resisted pressure."

Siles Salinas believes the "dissident justices'" position was clear: "Ibarra committed many common crimes in his country. He did not deserve to be in Bolivia. We had no reason to protect him. He is an undesirable individual."

Referring to the charges made against some Supreme Court members, he said: "These charges seriously affect the judicial branch." He remembered that on a certain occasion he had warned that a "corruption kingdom" was being installed in the country and "all levels of society were being stained by it."

Distressed, the justice said he called "for an end to the legal form of corruption." He reiterated that the justices appointed during the previous government with the votes of two-thirds of the congressmen "came with the intention of implementing changes, and they have shown that by taking important steps in the administration of justice, such as in Garcia Meza's trial."

Military 'Annoyance' Expressed on Attention Given Budget Requirements

PY0111172393 Cochabamba LOS TIEMPOS in Spanish 19 Oct 93 p A3

[Text] La Paz, 18 Oct (LOS TIEMPOS)—The Bolivian Armed Forces today expressed their annoyance and concern over the "reluctance" of government authorities to meet the Armed Forces' budget requirements. The Armed Forces thus rejected remarks by Defense Minister Antonio Cespedes Toro, who recently emphasized: "The multiple military economic problems have been duly met."

Sources close to the Army, Air Force, and Navy have reported that the economic situation in the Armed Forces is delicate. They pointed out that the situation is so delicate that, without funds to pay their telephone services and communications services, "which have been suspended for lack of payment, causing isolation between the branch commands and the other state institutions."

The sources indicated that this can cause "a domino effect" within the Armed Forces due to the reduced or nearly absent maintenance of military garrisons on the borders, the lack of payment of allowances to the troops, and the absence of logistic material that our military units require from the high military command.

The sources pointed out that only disbursements of food have thus far been made and that even this basic requirement for the operation of the barracks "suffered a 30-day delay."

The Armed Forces' budget problems became worse in July when, following instructions issued by then President Jaime Paz Zamora, "a freeze on payments" was ordered to state institutions because the country was in a "government transfer" period.

Military sources state that the new government has done "little or nothing" to improve the Armed Forces' financial situation.

The sources note: "The military annual budget is precarious, reduced, and insufficient for multiple requirements and activities."

The sources also warned that, if the authorities do not find viable solutions to the Armed Forces' economic problems within the next few days, commanding officers and troops will "lose heart."

Budget

Congress has approved 359,647,000,000 bolivianos for the Defense Ministry's 1993 budget. Of this, 248,028,800,000 bolivianos—49.9 percent of the total budget approved on 15 February—had been disbursed by 31 July.

According to an expenditures report filed by the State Auditing Office [Contaduria General del Estado] by the end of the first half of 1993, the Defense Ministry's largest expenditures were made in allocation No. 100 (personnel services), involving the disbursement of 170,125,700,000 bolivianos. Then comes allocation No. 300 (materials and supplies services), involving 62,694,500,000 bolivianos. Allocation No. 200 (services not involving personnel) follows, involving 21,665,000,000 bolivianos.

Brazil

Senate Approves Foreign Debt Refinancing Mechanism

PY0111150693 Madrid EFE in Spanish 1610 GMT 29 Oct 93

[Text] Brasilia, 29 Oct (EFE)—Congressional sources reported to EFE on 29 October that, urged by the Federal Government, a Brazilian Senate committee has approved a mechanism to refinance the $35 million debt with foreign creditor banks. The sources added that the Senatorial Economic Matters Committee ratified the initiative on 28 October between the government and the creditor banks advisory committee. The Senate plenum will vote on the initiative next week and it is believed that the decision will be ratified.

Of the nearly 20 members of the Economic Matters Committee, the only vote against the mechanism was that of Senator Eduardo Suplicy, of the Social Workers Party, who argued that the government will not be able to fulfill this commitment.

Following the decision of the Senate, the 900 private creditor banks can submit the appropriate refinancing contracts through which Brazil will amortize the debt.

This solution is supported by creditors who hold 95 percent of the debt. Of the largest creditors, only the U.S. Dart family—which own notes worth $1.4 billion—do not support it.

Brazilian officials hope the Dart family will adhere to the preagreement, which will probably be concluded early in 1994, once the standby [preceding word in English] agreement is registered with the IMF.

Cardoso 'Impatient' To Launch Anti-Inflationary Plan

PY0111201093 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Oct 93 p B3

[Article by Jose Negreiros and Armando Mendes]

[Text] Brasilia—The country is within an ace of clobbering inflation. Finance Minister Fernando Henrique Cardoso is impatient about administering his shock, but, over the past few days, has become the hostage of a president of the Republic who is just talking about going back home and an economic team that is just considering fiscal balance.

According to his usual interlocutors, Cardoso will overcome the impasse by the end of the year and will be ready to authorize clubbing inflation. The studies on the plan's alternatives have been completed. Which alternative to implement is the only thing missing. The most attractive one involves indexed money.

Within a few days, the minister will complete six months in his post without implementing the all-powerful measure against inflation that everyone—the president, the minister himself, the politicians, and public opinion—expects. In May, when he was installed, it was something difficult, but today many things have been achieved in the field of economic organization. A congressman close to the minister said: "Brazil is ready to wake up with a zero inflation rate."

Political Crisis

The main element encouraging an immediate shock is the political crisis, which is responsible for the huge erosion of the legislative branch. Thus far, the latter has been the greatest obstacle to the approval of rules for the economy's deindexation. With a weak Congress, it would be enough for the executive branch to advance toward stability, taking advantage of the negative image that budget expenditures have been inspiring in society since the beginning of the CPI [Congressional Investigating Committee] work.

A fortunate man, during the past six months Cardoso has overcome political problems, surfing through the crises as they cropped up in his way. With a single problem: "He has not taken advantage of such a space to advance and strengthen his political power within the government. He is a winner who does not take trophies home," a friendly politician said. As someone who checks the water temperature near the swimming pool before diving in, Cardoso just says: "My economists have the timetable of measures that must be taken, but my own timetable is a political one."

Cardoso is convinced that fiscal balance is desirable and, like his economists, is concerned about not making the same mistakes as the Cruzado Plan. Nevertheless, like [Brazilian singer and composer] Geraldo Vandre, Cardoso is aware of the fact that "a wise man creates his own opportunities and does not wait for them to appear." Caught between the president's personal suffering and the finance team's perfection mania, the finance minister, thus far at a standstill, is watching his political future go down the drain.

With the shock, Cardoso may at least have a chance.

Report Links 20 Congressmen to Alleged Illegal Use of Funds

PY0111213193 Rio de Janeiro O GLOBO in Portuguese 31 Oct 93 p 3

[Article by Elza Oliveira, Germano Oliveira, and Joel Santos Guimaraes]

[Excerpt] Sao Paulo—The National Accounting Office [TCU] report drawn up and completed by expert Jorge Ribeiro Soares states that the Social Action Ministry, under Margarida Procopio and Deputy Ricardo Fiuza and with the connivance of Alvaro Mendonca, who at that time was president of the Federal Savings Fund

[CEF], coordinated a corruption network involving congressmen and construction companies that was responsible for a loss of at least $500 million from the FGTS (Severance Pay Fund). Irregularities involving the investment of FGTS funds were so vast that the TCU expert suggested punishing former Minister Ricardo Fiuza under the Penal Code for malfeasance in office. At least 20 congressmen are involved in this new case in which some 50 construction companies benefited.

The report containing the TCU investigations regarding the handling of FGTS resources during the 1990-92 period, at the end of Fernando Collor's government, reveals that in 1991 Margarida Procopio, who was then minister; National Health Secretary Walter Anicchino; Housing Secretary Ramon Arnus Filho; CEF President Alvaro Mendonca; and CEF director Milton Luiz de Melo Santos signed work contracts for 1992 at values well over the FGTS budget. In view of this, according to the TCU report, the people involved are "liable for, among other penalties, being tried under Article 319 of the Penal Code that provides for two to five years' imprisonment." Margarida Procopio and her advisers are guilty of malfeasance in office, according to the TCU report.

The investigations ordered by the Attorney General's Office reveal that the manipulation of $3.3 billion in FGTS resources earmarked for housing programs, which were administered by the CEF during Collor's administration, allowed the overbilling of the price for housing units that were built, thus giving the construction companies an additional profit of $500 million.

From March 1990 until the end of Collor's government, the price for the construction of 495,034 low-income housing units was overbilled by up to 42 percent. Of this total built and completed. [sentenced as published] Another 241,702 units, which demanded an investment of $2 billion, are semi-finished; construction of 66,877 of these houses was paralyzed. The houses were built in 11 states with the intervention of at least 20 deputies in exchange for commissions that varied from 4 to 6 percent. Approximately 50 construction companies benefited from these contracts.

The TCU charged Fiuza and former CEF President Alvaro Mendonca with trying to obtain a loan from the Social Development Fund "that would evidently harm the FGTS." According to the Penal Code, the attempt to engage in illegal actions represents a crime and, according to Article 14, Clause II, Fiuza and Mendonca could face two to five years imprisonment. [passage omitted]

Chile

Visiting Bolivian Delegation Seeks To Accelerate Trade

PY0211132093 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 2 Nov 93

[Text] Bolivian Industry and Commerce Minister Carlos Morales, who has visited Chile at the head of a delegation of businessmen, noted the importance of stepping up economic relations between the two countries.

In 1985 Bolivia's inflation rate was at its highest point ever in peacetime. As a result of a stabilization program its 25,000 percent inflation rate per year dropped to 12 percent. But the changes are still taking place. The current Bolivian Government seeks to grow through the privatization of public enterprises and reforms. Within this framework Bolivia has made significant progress, such as obtaining preferential tariffs for its products in markets such as the United States and Europe.

This growth, however, entails problems, such as a having a huge capacity for such a small market. Bolivia therefore now seeks to expand its exports to neighboring countries in order to correct its trade balance. For this, Bolivia has signed an economic cooperation agreement with Chile, seeking to increase trade.

It is precisely with this goal in mind that a delegation of 50 businessmen has visited Chile.

[Begin Santa Cruz Exporters Association President Osvaldo Barriga recording] The purpose for the visit by the 50 Santa Cruz businessmen to Chile is to get in contact with Chilean businessmen, to study the possibility of making the current trade between the two countries more smooth. [end recording]

The Bolivian Industry and Commerce Minister also accompanied this delegation, which visited the Bolivian stand at the FISA [Santiago Industrial Fair].

[Begin Morales recording] What we undoubtedly want is for Chile to increase its exports to Bolivia, but we also want Bolivian exports to Chile to grow so to gradually balance the trade between our countries. [end recording]

The Bolivian Minister also referred to Bolivia's landlocked situation.

[Begin Morales recording] As these problems are gradually resolved I am certain—due to the capacity shown by the Chilean Government, businessmen, and people in handling their important issues, as well as the capacity also shown by the Bolivian people—that together we will almost certainly find that miracle mentioned by President Sanchez del Lozada. That miracle, which is nearer than we imagine, will help us solve the problem of the sea [Bolivia's landlocked position and desire for a sea outlet] that you have just mentioned. [end recording]

A joint meeting will be held in late November in La Paz with the purpose of tightening up the relationship between the two countries to an even greater degree.

Germany's Von Weizsaecker Starts Official Visit

PY0211023793 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 2 Nov 93

[Text] German President Richard Von Weizsaecker today started an eight-day official visit to Chile. Agreements in the health, social security, and education fields will be signed during his stay in Santiago.

The German president has a busy agenda that includes meeting high-ranking Chilean political and judicial authorities.

President Patricio Aylwin's government regards Von Weizsaecker's visit a concrete expression of the good relationship between Chile and Germany.

During his eight-day official visit the German president will sign agreements that will benefit Chile in the education, social security, and health fields. Moreover, an agreement by which Chileans who worked in Germany in their capacity as refugees or for personal reasons will be able to collect a pension in Chile.

Says Honecker Affair 'Overcome'

PY0211134093 Madrid EFE in Spanish 0045 GMT 2 Nov 93

[Excerpt] Santiago, Chile, 1 Nov (EFE)—German President Richard von Weizsaecker began a two-day state visit to Chile today, Monday, 1 November. He said that the case involving Erich Honecker, which had strained relations between the two countries, had been overcome.

Honecker had sought refuge at the Chilean Embassy in Moscow, where he stayed for a long time. He then ended up in jail in Berlin, but was set free by a German court. Following his release, he traveled to Chile on 14 January 1993. He now resides in that country with his wife Margot, his daughter Sonja, and his two grandchildren.

Von Weizsaecker made no statement upon his arrival in Santiago. In an interview he granted to the local newspaper EL MERCURIO in Bonn before leaving for Chile, the German head of state pointed out that for Germany the Honecker affair was closed.

He noted that the fact that the former president of the former German Democratic Republic (GDR) had been allowed to take up residence in Chile "clearly illustrates and characterizes not only that country's (Chile's) stance on the rule of law, but also its humanitarian outlook." Von Weizsaecker added that "the legal process has been concluded, and as far as our courts are concerned the case is closed." The German head of state praised the Chilean economic model, which he termed "an example for the other Latin American economies."

He moreover recalled the friendly close ties between Germany and Chile, where 20,000 Germans and their 100,000 descendants live. The German president underscored that Chile and Ecuador—the second and last leg of his tour of Latin America—are key countries for Germany's foreign policy with regard to Latin America. [passage omitted]

* Aylwin Signs New Labor Legislation

94SM0040B Santiago EL MERCURIO in Spanish 24 Sep 93 pp C1, C10

[Text] President Patricio Aylwin yesterday signed the fourth labor legislation reform, regulating individual contract conditions, worker protection, and labor jurisdiction.

During the law's signing ceremony—in which Justice Minister Francisco Cumplido and Labor Minister Rene Cortazar participated—the Chief Executive emphasized that under this Government the Concertacion labor reform program was entirely completed, and he claimed that workers have seen progressive improvement in conditions.

Among other things, the new legislation addresses days off, workdays, and vacations. It also sets new provisions for parents to take leave to care for sick children, and larger fines for labor legislation violations.

This law completed all its legislative procedures in August, when the Chamber and Senate approved the final modifications introduced in the Joint Committee.

Compared to the other three reforms, which were approved between May 1990 and July 1991, the latest reform underwent a slower deliberation process, since it entered the National Congress in May 1991.

After signing the new law he faces the possibility of drafting a new text for the Labor code, which contains the four revised reforms.

During the signing ceremony, President Aylwin called attention to the consensus reached during the bill's deliberation, because progress cannot occur if it is marked by conflict or clashes, he said.

He said that despite this progress, there is still a great deal remaining to be done, but "the worst thing is to become impatient and try to do everything at once."

At the ceremony some of the lawmakers of the Senate and Chamber of Deputies Labor Committees attended, including Ricardo Hormazabal, Ignacio Perez, Jaime Orpis, and Angel Fantuzzi. Also attending were Sernam Assistant Director Teresa Chadwick, and CUT [United Labor Confederation] President and Vice President Manuel Bustos and Maria Rozas.

Some Aspects

In his speech, Labor and Social Benefits Minister Rene Cortazar emphasized the principal modifications to chapters I, II, and V of the Labor Code, which are added to the existing laws on contract termination and work stability; union organizations; collective bargaining; and central union organizations.

On the topic of vacation time, the right to an annual holiday was guaranteed and existing discrimination was eliminated between workers on a five-day week and those with a six-day work week, with the minimum number of days equalized at 21.

The progressive holiday concept is being perfected, and the form of accumulating days is being regulated. Modifications are being made in the situations of workers who have not taken vacation for the last two consecutive years, since rather than losing the vacation days, they will be forced to take them.

In addition, the late salary payment losses were eliminated and guarantees of labor's creditor seniority in case of the company's bankruptcy were improved.

With respect to family leave, the right to a day off in the event of a child's or spouse's birth or death was established, as well as the parent's right to sick leave and subsequent postnatal leave in the event of a mother's death in childbirth.

With respect to labor rights, a minimum wage was set for workers over 65 and the responsibilities of contractors towards subcontractors was broadened.

With respect to work days, days of more than 48 hours were eliminated in hotels, restaurants, and clubs; the right to at least one Sunday off per month was established for business and public service employees. This reform was the subject of intense debate in the Chamber and Senate.

With respect to discrimination, preventing women from carrying out certain work was prohibited.

The legislation also benefits women who work in private homes, setting time off of 10 hours per day, and setting the amount of weekly time off.

Temporary workers must have a contract within the first five days, and minimum conditions must be stipulated for food, transport, and lodging, among other things.

Overtime for maritime workers was improved, and a course authorized by Sence was required for port workers. Regarding monitoring, the system of fines was improved, making the charges more effective, and sanctioning those who use subterfuge to evade the law.

In the area of labor law, access was broadened and the law was made more efficient, such as by consolidating the procedures into one single procedure bringing together reconciliation and proof.

Manuel Bustos

CUT President Manuel Bustos emphasized that progress has been made in the area of worker protection, but deficiencies still exist.

He said that, for example, the 10 percent tip to waiters has not been restored, and vacations of 25 days were not granted to workers in hardship zones.

Regarding the search for consensus, Bustos maintained that this means accepting whatever "the rightists want to vote." He said that during the transition, a path to consensus was sought and that therefore "I have no sympathy for consensus."

"Compromise is a political option, but it is useless for making laws to benefit the worker," he said.

* CUT President Interviewed on Government Performance

94SM0041A Santiago EL MERCURIO in Spanish 26 Sep 93 pp D2-D3

[Interview with Manuel Bustos, president of the United Workers Confederation, CUT, by Raquel Correa in Santiago; date not given]

[Text] The "master of the house" came down the enormous staircase made of precious wood and covered with red carpeting. But...yes! It was Manuel Bustos, the peasant boy adopted by an elderly couple, who was relegated to Linares, who went into exile!

The scene seemed surrealistic. Because if these walls could talk, they would have a long tale to tell. This mansion, which has now been turned over to the United Workers Confederation (CUT) on a contract of loan and restitution, was some years back the home of Don Julio Pereira, the right-wing senator, and the site of social gatherings that made history, as well as political meetings of transcendent importance. It is in the heart of the Alameda district, and almost opposite the La Moneda Palace. And before the CUT filled it with workers in shirtsleeves, it was...the headquarters of National Advance! Alvaro Corbalan, the former CNI [National Intelligence Center] figure who dreamed of creating a great party in support of General Pinochet, frequented these very premises.

They say that in the basement of the mansion, there are scores of cases full of bullets. And they also say that "this must have been an interrogation and arrest center."

What probably served the former lordly owners as the master bedroom has now been converted into an office for Bustos. It is decorated with photographs of John Paul II embracing him affectionately while he was in exile ("that is the most beautiful memory I have," the highest leader of the Chilean workers says). And there are photographs of Frei, Sr., and Aylwin, with the Falangist arrow displayed here and there.

Shouts and slogans could be heard from the street.

"Those are the teachers from Concepcion."

Bustos expressed the view that the government offer "is not a bad proposal. It is a way of ensuring what they are demanding."

However, he added the following:

"What they are urging now should have been done at the beginning of the discussion on the Education Statute, when Minister Lagos was in office. The demands should have been submitted in their entirety at that time. Thus the errors made with the teachers should not be blamed on them in the end, in the final analysis.

[Correa] Do you believe that there is political agitation involved in this problem?

[Bustos] I think that the needs that have been set forth are real and just. But there are indeed some people who want to extract political advantage from this real situation and the just demands. Even though they are just, those presenting them will have to proceed very sensibly in order to determine to what extent these demands can be met under this government.

Businessmen and Workers

Manuel Bustos (49, married, for the second time, to journalist Miriam Verdugo, four children) is tired, as the president of the CUT.

[Bustos] Three years of extreme anguish have been my lot in life. This is why I wanted to run for the Senate. But the term ends in 1995, and I believe that there is still a great deal to be done.

[Correa] Why has this period been so anguishing for you?

[Bustos] I have really suffered during this time. Because I hoped for more.

[Correa] From whom?

[Bustos] I expected more of my comrades. More struggle, more strength. And I hoped for greater understanding within the Ministry of Labor.

[Correa] From the cabinet?

[Bustos] From the Ministry of Labor.

[Correa] You are not only a comrade of Cortazar's, but a very good friend of his.

[Bustos] But we disagree on many things. The social deficit inherited from the period of the military dictatorship is so great, the injustices that were committed so extensive, and so many rights were trampled under foot that in order to establish a better balance between the workers and the owners, it was necessary to pursue more aggressive policies. Unfortunately, a rather lukewarm approach was adopted.

[Correa] Would you say that this government has been closer to the businessmen than to the workers?

[Bustos] No. I believe that the government has made an effort to establish a more just balance, but it has not succeeded in doing so.

[Correa] And what did you expect of the workers?

[Bustos] That they would wage more of a struggle to put behind them the fear that overwhelmed during the 17 years of the preceding regime.

[Correa] In other words, then, this much vaunted social calm is the product not of what the workers did, but of their fear?

[Bustos] It is not just the fear. There is also a high degree of responsibility to be borne by the people who want the transition to democracy to succeed. But the workers are no longer waging the struggle to unionize, in large part because of this level of fear. The worker who tries to organize a union once and experiences repression by the employer, will no longer make that effort. There must be a greater, a more forceful, struggle. Unfortunately, people have continued to value their jobs more than having a union, due to the fear of being fired.

According to Bustos' figures, 330,000 workers joined the CUT when it was organized in 1978. He says that nowadays, there are some 560,000 members, "and there are 750,000 unionized workers."

[Correa] You are saying that the CUT does not represent a substantial percentage of the workers.

[Bustos] No, in reality, the fact is that many feel that the CUT has given them very little. And we are doing a great deal to aid the trade-union movement, to contribute to the development of an awareness of the need for a trade-union organization. However, many workers will only consider participating in something if it offers them clear and immediate economic benefits. But the CUT is the organization that discusses overall policy with the government and with the businessmen—issues of law and politics that will affect all the workers, giving them mechanisms whereby they can defend themselves. Issues like training. Society needs a valid interlocutor to defend the rights of the workers.

Bustos concluded his arguments in a clear and sonorous voice, as if he were speaking before a gathering. "The trade-union movement has made a highly significant contribution to the transition process with its cautious approach to demanding its rights. It has avoided making the conflict more acute, and it has taken the fact that there are weaknesses in our current process into account.

[Correa] Isn't it possible that strikes have gone out of fashion?

[Bustos] No. Unfortunately, the strike will continue to be a weapon for exerting pressure and demanding justice for the workers if businessmen continue to pursue their clumsy attitudes—refusing to provide information on the financial status of businesses during negotiations and failing to allow worker participation in making enterprise decisions. During the past 12 months, businessmen have persisted in an attitude that says "I am the owner of the business, and you work for me." This is causing tension in the labor sector and creating centers of opposition to the businessmen. Along with this, there is political agitation that might further aggravate the situation in the future.

[Correa] Which sectors are engaging in political agitation?

[Bustos] It is a known and public fact that there are some sectors more interested in aggravating the conflict than in seeking a solution. I would prefer not to mention any names.

[Correa] Are you referring to the Communist Party, which is also represented in the CUT?

[Bustos] Well, the Communist Party has made clear moves in this direction, for strictly electoral reasons. The clumsy attitude of the business sector, then, finds rather fertile ground among those who are engaged in political agitation and deriving benefit from the legitimate worries of the people.

Protection

[Correa] Why do you refer to the last 12 months? What changed in the attitude of the businessmen during this period?

[Bustos] The fact is that this description of a very flourishing and spectacular national economy is making the workers wonder. "How much has ended up in my pocket?" This question is being asked by the seasonal workers, the forestry workers, those employed in the benzene, trade, and health sectors, and the teachers. There are reports of growth of 10.4 percent and major investments, and the people are asking: "And what growth have I seen?" The individual worker does not feel that this great economic success about which there is so much publicity is touching him. It is true that there has been improvement, but not to the levels claimed. There has been no proper distribution of the wealth being generated during the past three years!

[Correa] Has the drop in international prices had an effect on this situation?

[Bustos] Of course. This is not an economy that can resolve the problems all by itself. The business sector has seen that there were problems in competitive capacity, and it has realized that Chile no longer enjoys comparative advantages in quality or seasonal production so much as those based on wages—cheap manpower. And if they allow the establishment of unions that engage in collective bargaining, the businessmen will lose, at a minimum, 2 or 3 percent of their competitive capacity because of the economic resources the unions will wrest away from them in negotiations. In order to prevent this, then, they would do better to maintain control, harassing the workers who try to organize, and thus continuing to obtain a higher level of profit thanks to cheap manpower. This is happening throughout the private sector, which is confronted with the need to compete—not to mention those areas that are being violently demolished by foreign goods! The textile industry, for example, is being crushed by the products imported from Asia that have a serious social dumping effect. In their prisons, the Chinese are producing millions of meters of cloth for the world. This makes competition impossible! And Chile continues to import used clothing and products with a social dumping effect.

[Correa] And therefore the poor can outfit themselves more cheaply.

[Bustos] I would ask, then, why aren't we eating cheaper bread? Why is wheat being subsidized, instead of giving us cheaper bread to eat, while the Chilean peasants sit and wait?

[Correa] Are you advocating protectionism for our domestic industry?

[Bustos] We must have certain safeguards for our economic process. Chile cannot open itself up to the world if the world does not pursue honest competitive trade processes. At present, competition is extremely dishonest. Try to sell a single grain of rice in Japan! Impossible. Countries only allow the import of products they do not produce themselves, and on those there may be no customs duty.

[Correa] Do you believe that the customs rates in Chile should be raised?

[Bustos] Frankly, I believe that we should protect some sectors of our domestic industry! Not to the historical extent, but rather in relation to what other countries in the area or those with which we want to compete are doing. If there are customs duties different from ours there, we must place ours at a protective level, as well.

[Correa] Differentiated customs rates again?

[Bustos] In the light of what is happening, I favor our having differentiated customs rates. It is a mistake for Chile to continue to maintain the same customs policy for everything.

A Chinese Fable

[Correa] In other words, you favor an end to the free market economy?

[Bustos] No. The United States has the most widely differentiated customs rates of any nation in the world, and no one has ever said that it has abandoned the free market economy. Europe has differentiated customs rates for many productive activities, and it is the motive force of the free market. Japan has customs rates of up to 500 percent for some products. The fact is that the world market is not so free! Why is Chile such an open country that all kinds of muck are allowed to come in, while we ourselves cannot place our products on the international market? They impose quotas on us for kiwi fruit, apples, and textiles. In the medium time range, this could be extremely dangerous.

[Correa] And was it not using this free-market economic system that Chile made its great leap forward?

[Bustos] Yes, of course—but with five million poor people! The Asian countries have also made great advances based on this model, but they are centers of poverty, too. Hopeless poverty. I do not want my country to have to condemn more than a third of the citizens of Chile to poverty so that we can make a "leap forward" on the international markets.

[Correa] In other words, nothing of the "dragon"?

[Bustos] If dragons ever existed. That is a Chinese fable. We are neither tigers nor jaguars, much less dragons. We are a country trying to emerge from underdevelopment. But unfortunately, not all of our people have the commitment to solidarity that will allow us to emerge from underdevelopment in an entirely equitable fashion.

[Correa] Should the state impose "solidarity" by means of laws?

[Bustos] The ideal thing would be for business groups to be more committed to solidarity on a voluntary basis. But as this willingness on the part of the business community does not exist, legal mechanisms should be created to allow better distribution of the wealth in such a way as to generate jobs and capital. This is the reason the state is now promoting better legislation that will allow all of the workers to engage in collective bargaining and force the businessmen to come to the negotiating table to talk with the workers. Today, the forestry workers are submitting a list of demands to the owners, but they are not even required to respond to it. Does this seem fair to you? If you hand a list of demands to the owners of the benzene pumps, rather than negotiate with the workers, they fire them. Does this seem fair to you?

[Correa] You maintain that the position of the businessmen has hardened in recent times?

[Bustos] Yes. A hardening of the attitude can be seen among both the businessmen and their leaders. When we began this democratic process, Don Manuel Feliu showed tremendous good will in dealing with issues involving both parties. And the signing of two very important framework agreements was achieved.

[Correa] And what happened?

[Bustos] Nothing, unfortunately. Subsequently, with Jose Antonio Guzman, there were only some meetings without any real content. There has been an almost total lack of willingness on the part of the Production and Trade Confederation to engage in discussions about these issues and to achieve some final results. The vast majority of Chilean businessmen still fear the trade-union movement greatly. Within the framework agreement, our organizations made a mutual commitment to respect each other, but I regret to say that the Confederation has been erasing with one hand what it has written with the other. Many businessmen have continued to persecute the trade-union movement under the democratic transition government! And these workers, naturally, are furious with the democratic process, because as a result of the enclaves inherited from the dictatorship, they feel that nothing has changed! It is for this reason that we are displeased with the government policy in the labor sector. There has been no firm hand to control the antidemocratic attitudes of the businessmen in the trade-union sector.

[Correa] Are you frustrated with the Concertation, then?

[Bustos] Despite everything, I continue to believe that the Concertation represents the light of hope. It is the only viable alternative among those available today. Because that proposed by Alessandri means a return to the past in which we imposed an economic model by fire and sword, with arrests, torture, dismissals, deaths. At present, we workers are truly exasperated. The state must be put where it is needed and markets must be found where it is possible.

* Frei Proposes Program To Eradicate Poverty

94SM0040C Santiago EL MERCURIO in Spanish 27 Sep 93 pp C1, C6

[Text] The challenge of entering the 21st century as a modern and integrated nation, with a solid economy growing at a steady 6 percent per year, and per capita income of $5,000 per year (it is currently $3,030), was set by Concertacion presidential candidate, Eduardo Frei Ruiz-Tagle, in outlining his position, which he called "the new times."

He emphasized that in order to progress in the future after the transition, the country must address four essential tasks: a profound transformation of education; sustained investment in modernizing the country's infrastructure; a strengthening of regionalization and the municipalities in order to broaden democracy; and giving a strong push to competitiveness and participation in international markets.

He pointed out that with the combined efforts of business, workers, and the Government, exports can grow at an annual rate of 10 percent.

He emphasized that Chile is at a crossroads: either it will firmly seize this opportunity or it will let it slip through its grasp. However, he added that under "the new times," the country will progress by dint of everyone's hard work.

Frei laid this out yesterday before party supporters who filled the galleries of the Gran Palace Cinema (capacity 1,500 people). He emphasized that in his program's basic point of ensuring development, three urgent problems need to be addressed and resolved: health, civil security, and the environment.

Among the challenges he set forth, the candidate placed priority on the struggle against poverty, for which he proposed implementing a national program to allow it to be eradicated in six years with public and private resources. After emphasizing the need to invest in modernizing infrastructure, he pointed out that in the case of infrastructure associated with productive sectors, the scope of the private sector's participation in investment and management would definitely be broadened, promoting active participation by the private sector, under clear, stable, and efficient regulations.

Several of his announced positions were received with great enthusiasm by those in attendance, who strongly applauded the candidate's proposal to restore to the President of the Republic the prerogative to name the Commanders in Chief of the Armed Forces.

In laying out his proposal to deepen democracy, he advocated reforming the electoral system, strengthening the political parties, and opening new channels for citizen participation.

Modernization of the State, a theme on which he has insisted recently, was one of the points Frei emphasized in his speech, in calling for a strengthened management capacity in the public sector and increased efficiency of State-owned companies, and within that context, condemning corruption.

The unity of the Concertacion and its future prospects were of special concern to the candidate in his speech and he particularly emphasized ensuring that it would be maintained and preserved, despite the differences that have arisen in certain areas. He also said, "I will head up the next government firmly and decisively," while stating that he would accept no pressures and that his aspiration was to be President of every Chilean.

He announced that within the next few days he will disclose his plan for the Government and in his long speech he called for "a time of unity" and generosity, and a time when no one or no thing may take precedence over the legitimate aspirations of those who have been its protagonists.

Touching upon reconciliation and very subtly the problem of human rights, he said that the pain would not go away except through a deep process of reconstitution of the national identity, which would permit everyone to be recognized as part of the same community. In doing so, he said, it is necessary to have respect for the fallen and to heal the wounds of families who are still awaiting a basic human gesture, which nobody has the right to deny them.

With respect to the problem of delinquency, the Concertacion presidential candidate said that he would act with firmness from the very first day, confronting it at its roots and at its multiple causes. He also pledged to expand and perfect the means at the State's disposal to prevent and repress crime, and to increase the capabilities of Law Enforcement and Intelligence.

Colombia

Six Bomb Attacks Staged Against Political Headquarters

PA0211132693 Paris AFP in Spanish 1231 GMT 2 Nov 93

[Text] Santa Fe de Bogota, 2 Nov (AFP)—Metropolitan police have reported six bomb attacks against six political headquarters in Santa Fe de Bogota, resulting in two injuries and huge losses.

The attacks were against the political headquarters of presidential hopefuls David Turbay and Rodolfo Gonzalez, Santa Fe de Bogota councilman Mariano Porras, and senatorial hopefuls Jose Trujillo and Carlos Gaitan.

The headquarters of the Bogota Council was also the target of the same wave of attacks. The police reported that the attacks were carried out simultaneously.

A mother and her son who were in the Trujillo building were injured. Buildings adjacent to those that were attacked were also damaged by the explosions.

The police reported that explosives experts defused a seventh bomb in another political headquarters in downtown Santa Fe de Bogota.

PLO Granted Diplomatic Representation

LD0111180293 Algiers Voice of Palestine in Arabic 1702 GMT 1 Nov 93

[Excerpt] The Colombian Government has agreed to grant the PLO diplomatic representation in the Colombian capital Bogota, in line with other South American states; the PLO will have a permanent representation status. [passage omitted]

Advisory Commission Said Not Informed on Resumption of Ties With Cuba

PA0111150593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 30 Oct 93

[From the "24 Hours" newscast]

[Text] The former presidents and members of the Advisory Commission for Foreign Relations were not informed—let alone consulted—of the resumption of diplomatic relations between Colombia and Cuba. The former presidents did not like this decision, but President Gaviria downplayed the matter. He said the absence of a report or a consultation should be judged by its merits rather that its appearances.

[Begin Gaviria recording] In this particular instance, we did not regard a consultation or a report as necessary, although it would have been advisable. [end recording]

The former presidents and commission members, Turbay Ayala, for instance, said today that they should have been consulted before this decision was made. Former President Lopez Michelsen, on the contrary, said the commission did meet.

[Begin Lopez Michelsen recording] The Foreign Relations Advisory Commission met one week ago, but no clue was given to us on the possibility of restoring relations with Cuba. [end recording]

Former President Misael Pastrana addressed a letter to Foreign Minister Noemi Sanin stating that the commission cannot exist only to be consulted on faits accomplis and that, in addition, the opinions of the people and Congress in such important decisions cannot be ignored.

Government, Socialist Renewal To Resume Talks 'in 15 Days'

PA0111152293 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 1 Nov 93

[From the "TV Today" newscast]

[Text] The Colombian Government will resume its peace talks with the Socialist Renewal Movement in 15 days. This was announced today in Amsterdam, the Netherlands, by Leon Valencia, chief of this rebel group's international relations office. The rebel leader said that talks with the government must conclude by March, before the legislative elections are held, thus enabling 2,500 rebels to participate in the country's political activities.

Paraguay

Defense Minister Calls Coup Rumors 'Entirely False'

PY0111150093 Asuncion ABC COLOR in Spanish 27 Oct 93 p 2

[Text] Defense Minister Hugo Estigarribia has stated that rumors of a possible coup d'etat, which is allegedly being plotted against the current administration, are "entirely false" and criticized the attitude of the congressmen who spread them. Estigarribia added that the alleged plans to murder congressmen are not very credible and lack concrete evidence to support them.

Asked if he believed the Armed Forces might be plotting a coup against the current democratic process, he bluntly pointed out: "That alternative is not being considered by the Armed Forces."

"If any congressman has information on the issue, he must responsibly say so and supply the necessary evidence. I cannot accept this sort of irresponsible rumor that simply confuses the people, particularly if the rumor is spread by a member of the government or Armed Forces," he emphasized.

He also said that he has reasons to think that congressmen have no evidence to support the hypothesis that a coup is being plotted in the country. "I heard one congressman say that he has been informed that someone has information on the coup. This leads to more groundless rumors," the defense minister said.

He added that so far no one has supplied any evidence or mentioned the source of the rumors which, therefore, means "there is no concrete evidence to back them up."

Wasmosy Meets Military Chiefs

On the morning of 26 October, Juan Carlos Wasmosy—president of the Republic and Armed Forces commander in chief—met the military leadership at Government House to analyze the National Defense Budget issue and to plan for the meeting that he will hold tonight with members of the bicameral committee studying the National Budget bill.

The meeting was attended by Rear Admiral Eduardo Gonzalez Petit, commander of military forces; the commanders of the three Armed Forces branches and the Logistic Command; and the chief of the Armed Forces Joint Staff.

PLRA Leader: Coup Charges 'Irresponsible'

PY0211003593 Asuncion ABC COLOR in Spanish 27 Oct 93 p 5

[Text] After meeting President Juan Carlos Wasmosy, former PLRA [Authentic Radical Liberal Party] presidential candidate Domingo Laino yesterday labelled "bold and irresponsible" a charge pressed by lawmakers who mentioned the possibility of a coup and the dissolution of Congress, and even the murder of some congressmen. Laino, however, said he was aware that "there are destabilization threats."

Laino arrived at Government House to meet Wasmosy because he was, as he put it, concerned about the reports of an alleged plot, a coup, and even possible murders that were released by lawmakers. He said he asked the president whether "state security organizations have some information, some clues," noting that the president replied negatively. Laino said the charge was "bold and irresponsible." The charge was pressed over the weekend by Hermes Rafael Saguier, Luis Alberto Mauro, and Basilio Nikiporoff.

In commenting on the president's answer, Laino said: "This really shows there is nothing serious to these charges and that the people can actually rest assured; democrats can rest assured because everything is under control, and I believe the institutions are in no way endangered."

Asked whether he had become the government's official spokesman, Laino replied that he had not. "I cannot give any official report. I am not a government official, but this is what he told me, and I have no problem and I will not conceal his answer," he said.

Asked whether the word irresponsible was used by him or by the president, Laino replied: "When he (Wasmosy) told me that state security organizations have absolutely no clues, no information on alleged coups against Congress or alleged plans to murder anybody, I obviously concluded that the remarks made at the 24 October news conference—and the lawmakers who made them—were totally irresponsible."

Asked about any promises by President Wasmosy to consolidate this process, Laino said it is not necessary to have a promise. "The process is consolidated, the institutions are operating, we are in a transition, we know there are destabilization threats, but I believe we should not fabricate destabilization threats because otherwise we ourselves will be destabilizers," he concluded.

PLRA Issues Communique

PY0111234693 Asuncion ABC COLOR in Spanish 27 Oct 93 p 10

[All quotation marks as published]

[Text] The PLRA Political Committee yesterday released a communique that refers to a charge pressed by Deputy Hermes Rafael Saguier, who said the PLRA is involved in a "well-defined coup plan."

Among other things, the communique says: "The PLRA, by virtue of an Executive Board majority decision, is participating in an inter-party dialogue with a view toward reaching a governability pact that essentially aims at guaranteeing this political process. This proves that neither the party nor its members are involved in coup attempts or conspiracy plans aiming at 'destabilizing the institutions of the Republic.'"

The communique adds: "The PLRA has given tangible evidence that it is convinced that the democratic, representative system of government is the only political system that can guarantee the legitimacy and legality of a government. Consequently, the party cannot be planning to join such an adventure as a coup to dissolve Congress."

The communique adds: "The PLRA committee hereby expresses its indignation and condemns all references involving this century-old institution in crimes like those mentioned by Deputy Saguier. The PLRA committee demands that the Chamber of Deputies members who circulated this slanderous charge support it with a responsible report.

"The irresponsible expressions denied by this communique are the breeding ground in which other opportunist outsiders sow the seed of distrust toward democratic institutions, in an effort to return to a dictatorship that the people and their responsible leaders will never accept," another paragraph says.

The communique emphasizes: "The PLRA, through its Political Committee, reaffirms its conviction to continue striving for real democracy in Paraguay because this aspiration is in keeping with its principles, and because this is the unpaid debt to so many striving fellow countrymen who suffered imprisonment, legal punishment, exile, and death in their effort to win a decent, democratic life for all Paraguayans."

Correction to Military Express 'Concern' Over Cutbacks

PY0211115793

The following correction pertains to the item headlined "Military Express 'Concern' Over Planned Budget Cutbacks," published in the 1 November Latin America DAILY REPORT, page 46: Column one, first paragraph, first sentence make read: ...concern over the 9.9 billion guarani cutback that... (changing "million" to "billion") Column one, fourth paragraph, only sentence make read: ...concern over the 9.9 billion guarani cutback planned... (changing "million" to "billion")

Peru

Fujimori Says Public Support Not 'Dwindling'

OW0211052593 Tokyo KYODO in English 0459 GMT 2 Nov 93

[Text] Lima, 1 Nov KYODO—President Alberto Fujimori said Monday [1 November] the narrow margin of support for a new constitution in a referendum held Sunday does not mean dwindling backing for him among Peruvians.

Fujimori told Kyodo News Service that the higher-than-expected opposition to his proposals in the referendum stems from a "lack of understanding" by voters of some domestic policies, including one to require people to pay part of education costs at public schools.

The referendum was held to gain approval of a new charter to replace the 1979 Constitution suspended by Fujimori when he dissolved the Congress in April last year and gave himself extraordinary powers.

A constituent assembly elected in August last year drew up the new constitutional draft.

The Apoyo polling firm, a private survey organization, said its own final returns showed 52.9 percent of voters approved the constitutional charter, with 47.1 percent against.

Asked about Peru's future tasks, Fujimori cited as his priority a policy of "economic reconstruction based on the expansion of investment from abroad."

Fujimori, a son of Japanese immigrants, called on Japan to lift a Foreign Ministry advisory against tourist visits to Peru.

Asked if he intends to run for the 1995 presidential election, Fujimori merely said he will serve as president until 1995. The new Constitution, Peru's 12th since independence in 1824, would allow Fujimori to seek a second term in 1995, unlike the old constitution, which allowed only one presidential term.

CCD Chairman Torres y Torres on Constitutional Referendum

PA0111161593

[Editorial Report] Lima Panamericana Television Network in Spanish at 1230 GMT on 1 November broadcasts live, during its "Good Morning Peru" newscast, a 30-minute interview with Carlos Torres y Torres Lara, Democratic Constituent Assembly [CCD] Constitution Commission chairman, by Panamericana anchorwoman Roxana Canedo.

Canedo opens the interview by asking Torres y Torres Lara if the government expected such a close vote. Torres y Torres Lara acknowledges the high percentage of no votes, adding that "hypothetically speaking, 10 or 20 percent of those votes were from people who definitely oppose the death penalty; 10 or 20 percent came from people who definitely oppose reelection; another 10 or 20 percent may not have understood our message on education, which will be totally free at state schools, including universities. We did not explain this properly, and many people may have doubts in that regard."

Torres y Torres goes on to describe and dispel the misconceptions that were spread regarding the government's future actions, including reports to the effect that 500,000 employees will be fired, which is false.

Canedo, quoting CCD President Jaime Yoshiyama—who had said that yesterday's event would be more of a plebiscite than a referendum—asked Torres y Torres what happened to the people's endorsement of the president. Torres y Torres responded that the people's views have not changed, and according to Apoyo polls the president still has an approval rating of 70 or 65 percent, while a little over 50 percent of the population supported the Constitution. He added that the government's position is not one of triumphalism but of receptivity and a desire to perfect the Constitution.

Canedo comments on a statement published in LA REPUBLICA—which she quickly points out was brought to the studio by Torres y Torres—to the effect that the government has been forced to reach a concerted agreement, and she asks Torres y Torres if he agrees. Torres y Torres agrees, but adds: "The majority must respect the minority, listen to it, and attempt to accept its positions within a certain framework. The minority must respect, however, the majority because that is what democracy is all about. The Constitution has been approved and the minority must first acknowledge it as Peru's new Constitution."

Torres y Torres goes on to compare the no votes. "The Popular Christian Party [PPC], for instance, supports the death penalty, but the left wing does not."

Canedo raises a question about the minority's strength, to which Torres y Torres says: "The referendum does not give the government a blank check to see what it will do. We are alert; we can see the message. The Constitution was approved, and we must adhere to it." Torres y Torres added that when elections are held in 1995 the people will be able to compare what was said about the Constitution and what was actually done. "We will hold dialogues, listen, and propose the issues set forth by the opposition to see if the people support them."

In response to Canedo's question regarding when the dialogue will begin, Torres y Torres says, "immediately. Dialogue is already open. Before the referendum results were known the CCD president called for national unity."

Halfway into the interview, Canedo receives a telephone call from Roberto Ramirez del Villar of the PPC. She asks Ramirez why he thinks the vote was so close, to which he responds that it will be even closer when the official results are in. "The bottom line," he says, is that "a tremendously unequal campaign was waged. We did not have millions, airplanes, or televisions. Our campaign was tremendously handicapped, and Mr. Torres y Torres Lara knows that very well. He toured the entire country, and the result has been a vote against the government. The results reported thus far indicate that the yes vote prevailed primarily in Lima, which also explains why Torres y Torres and members of the CCD have joined to propose implementation of the sole district system for next year's [as heard] elections, which will increase centralism and make Lima's the deciding vote."

Torres y Torres responds to Ramirez del Villar's remarks by saying that the doors have been opened for perfecting the Constitution. "The opposition made headway among large sectors by lying, telling them falsehoods, such as that 500,000 employees would be fired and free education would be abolished. This made many people vote no."

Torres y Torres also "strongly" points out that Ramirez del Villar's remarks to the effect that the Constitution cannot be accepted is inadmissible. "In a democracy the majority establishes the rules, and he must respect that."

Torres y Torres also rejects Ramirez del Villar's position regarding certain changes because, he said, Ramirez has misinterpreted them because he did not participate in the debates and his views are emotionally charged because he represents the former congress and traditional policies. "We must go forward; we must listen to Ramirez, because he is a professional and a politician who deserves respect, but by no means can we tolerate such impositions."

In reference to the 1979 Constitution, Torres y Torres said it was approved overnight with orders from the military regime in power at the time, while the new Constitution has been freely approved. Canedo refutes his remarks regarding the manner in which the 1979 Constitution was approved, but Torres y Torres insists there was no freedom of the press while the 1979 Constitution was being debated.

To conclude, Torres y Torres urged Ramirez del Villar to present a bill for any changes he might deem necessary. "This is how the Constitution will be perfected," he said.

Uruguay

Ideological Conflicts Shake Broad Front

PY0111201993 Madrid EFE in Spanish 0846 GMT 31 Oct 93

[Report by Alberto Pepe Leira]

[Text] Montevideo, 31 Oct (EFE)—Struggle among radical and moderate leftists to control the left is threatening the experiment born in Uruguay in 1971 when Marxists, Christians, Maoists, dissident liberals, and even urban guerrillas created the Broad Front [FA].

The coalition began a plenum meeting on 30 October seeking to implement changes after Montevideo Mayor Tabare Vazquez conditioned his acceptance to become presidential candidate to a deep transformation in the FA, which is becoming ideologically more divided by the day.

A year before the elections and after Vazquez' adoption of a centrist position, radical FA members are demanding that the coalition preserve its traditional ideological profile.

Vazquez, leader of the centrist trend, surprised Uruguayans and "betrayed" some of his supporters when, after a recent visit to the United States, he promised to pay up the foreign debt if the FA wins the elections. He even promised to pay the debt contracted by the military regime (1973-84), which his coalition deems "immoral."

The former Tupamaros guerrillas state that if they have to change their ideology, they would rather vote for an original centrist ticket such as the one headed by former President Julio Maria Sanguinetti, who is leading the polls for the 1994 elections. The Tupamaros charge Vazquez and his supporters with defending a "social pact."

MATE AMARGO, the former guerrillas' publication, this week states that those who "are following Felipe Gonzalez' example"—referring to the changes being implemented by the Spanish chief of state in the Spanish Workers Socialist Party (PSOE)—are insensitive to public opinion.

According to Tupamaros members, who are spokesmen of at least seven ultra-left groups and insist on maintaining the "class struggle," the proposal is that the FA stop being "the system's transforming force" and become the "left that cushions contradictions with the world's police and Uruguay's owners, the United States."

The former guerrillas criticized Vazquez and his followers for supporting the Common Market of the South and becoming "the best foreign debt payment supporters, at the expense of unemployment and hunger for Uruguayans." Added to the coalition's ideological problems are the problems resulting from the fall of socialism in Europe and the breakup of the Soviet Union, which financed the Communist Party [PCU]—the leftist force that received the largest number of votes in 1989. The PCU has split into five groups, four of which seek a place in the coalition.

Congressmen elected by the PCU have left the party, but not their nine seats in Congress, and all have turned toward the center and accepted reaching agreements with other forces. Nonetheless, they still have found no allies and are seeking electoral options.

In the FA, Vazquez is supported by his Socialist Party, a group that has split with the ruling National Party, and another one that includes moderate leaders. He thus has 32 of the 130 votes at the FA plenum. On the other side are some of the main labor unions and those who traditionally control the grass roots, such as the former Tupamaros guerrillas, the radical and Marxist movement 26 of March, the Party for the Victory of the People, the Broad Front Unity Movement, the Communist Party, and the Socialist Movement, which control 55 votes.

The future of the Uruguayan FA is in the hands of 43 other delegates who still have an undefined position in the ideological debate.

Venezuela

Justice Minister Warns of 'Conspiracy' To Topple Velasquez

PA0211044293 Mexico City NOTIMEX in Spanish 0050 GMT 2 Nov 93

[Text] Caracas, 1 Nov (NOTIMEX)—Venezuela is facing the "latent danger" of a coup following persistent rumors of a possible military uprising to topple President Ramon J. Velasquez, Justice Minister Fermin Marmol Leon stated today. Marmol indicated that the rumors of a possible uprising have increased due to the insistence of unidentified sectors that may worsen further the political situation in the country, where elections will be held on 5 December.

During a news conference held at the Miraflores Palace, the seat of government, the official stated "there is a conspiracy to topple the government of President Velasquez." He noted the violent incidents of letter bombs, car bombs, and the pardon granted to a drug trafficker with ties to the Medellin Cartel could become the "destabilizing" elements that may imperil the upcoming elections.

Three weeks ago, journalist Jose Vicente Rangel stated during a local television program that four generals were trying to topple the government, and Defense Minister Vice Admiral Radames Munoz knows their names.

Lieutenant Colonel Hugo Chavez, leader of a coup attempt on 4 February 1992, said on Monday [1 November] that there are six generals trying to topple Velasquez.

Velasquez Signs General Law on Banks, Financial Bodies

PA0111132593 Caracas Venezolana de Television Network in Spanish 2350 GMT 28 Oct 93

[Report by Melisa Soto and Zaida Pereira; from "The News" newscast]

[Text] Following several weeks of debate, President Ramon J. Velasquez at last signed during the Council of

Ministers meeting the general law on banks and other financial institutions. Here is Melisa Soto:

[Soto] Coordination and Planning Minister Hernan Anzola explained that the law seeks to strengthen the supervision of banks in the country and to establish modern guidelines to supervise the field of finances in general. The law also establishes parameters for foreign banks and modernizes the guarantee fund. Deposits and banking protection were raised to 1 million bolivares. As for the differences with the National Banking Council, concerning stock percentages, Anzola stated that the article remains the way it was originally drafted.

[Begin recording] [Anzola, in progress] ....at 20 percent, which is what the capital market law establishes, and this will be subject to the changes that may be made in the future on the capital market law.

[Soto] Did any special document prevail [words indistinct] today?

[Anzola] The wording of the bill submitted for the Council of Ministers' consideration was unchanged. [end recording]

[Soto] Anzola announced that due to the importance of the law in the country's economic life in the coming years, it will be promulgated during a special ceremony to be held next Monday.

[Pereira] Banking Association [Asociacion Bancaria] President Juan Tomas Santana described the bill as positive for Venezuela's banks, within the globalization, internationalization, and strengthening of their assets. According to Santana, the highlights of this law are: the creation of universal banking, which will be very popular; the strengthening of the Banking Superintendency, a very important organism to supervise and oversee the system; and the opening to foreign banks. On this matter, he said there are three conditions that favor the arrival of foreign capital in the country.

[Begin Santana recording] The three conditions have already been announced, but it is worthwhile to repeat them. There are three conditions. One is the possibility that they may install offices or open branches here; the other is that they will become installed as banks, as banks established in Venezuela; and the third is the possibility of foreign capital investments in Venezuela's banks. [end recording]

[Pereira] Santana said that once the banking law is approved, and even if all requests were not met, the only thing pending is to begin next week the debates on the amendments to the savings and loans law.